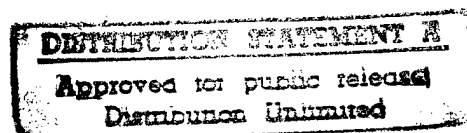


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28 APRIL 1992



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CONTENTS

28 April 1992

BULGARIA

Protesters Hamper Liquidation of Farm Cooperative [DUMA 22 Apr]	1
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CZECHOSLOVAKIA

Possible Czech-Slovak Compromise Examined [RESPEKT 22 Mar]	2
Buresova on Women in Politics, OH, Screenings [ZEMEDEL'SKE NOVINY 4 Apr]	3
Resumption of Slovak-Ruthenian Relations Urged [NARODNA OBRODA 10 Apr]	5
Election Projections, Effects on Economy Examined [EKONOM 9 Apr]	6

HUNGARY

Ethnic Hungarian on Cluj Mayor's Investiture [UJ MAGYARORSZAG 16 Mar]	11
Ministerial Appointments vs. Judicial Independence	11
Law Called 'Sketchy' [NEPSZABADSAG 6 Mar]	11
'Scandal' Charged [HETI VILAGGAZDASAG 14 Mar]	11
Constitutional Court's Ruling [HETI VILAGGAZDASAG 14 Mar]	13
Ministry Officials Comment on Defense Study [NEPSZABADSAG 21 Apr]	14
Japanese Assess Risk of Investing in Hungary [NEPSZABADSAG 9 Mar]	15
Soos: Government Aims To Restrict Privatization [HETI VILAGGAZDASAG 7 Mar]	16
Privatization of Publishing Houses Problematic [Paris LE MONDE 22-23 Mar]	17
Government To Sell New Series of State Bonds [NEPSZABADSAG 5 Mar]	17
Details on Development of Cable T.V. [Paris LE MONDE RADIO TELEVISION 23-29 Mar]	18
French Paper on Conflict Over Hungarian T.V. [Paris LE MONDE RADIO TELEVISION 23-29 Mar]	18

POLAND

Review of Privatization, Enterprise Restructuring [GAZETA BANKOWA 22-28 Mar]	21
Chances for Greater Gas Exploitation Examined [GAZETA PRZEMYSLOWA I HANDLOWA 22-29 Mar]	22
Inland Navigation Transport Down by Half [RZECZPOSPOLITA 12 Mar]	23

SLOVENIA

Army Ineffective, Unable To Win in B-H [DELO 11 Apr]	25
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Protesters Hamper Liquidation of Farm Cooperative

AU2704080192 Sofia DUMA in Bulgarian 22 Apr 92 p 1

[Article by Stefan Severin from Suedinenie]

[Text] About 600 people continue to guard the administrative building of the Gigant Agricultural Cooperative in the town of Suedinenie. Late on the evening of 21 April, the chief of the Third Regional Police Department in Plovdiv arrived on the scene, but even his intervention failed to help the liquidation commission occupy the building. Mayor Angel Kutsoev continues to ask for police reinforcements from Plovdiv.

For the third day now, representatives of the protesters have been trying to meet the oblast administrator Stefan Stoyanov, who keeps finding pretexts to refuse to receive them. His deputy, Kiril Aleksandrov, made no commitments to

the members of cooperative. On the other hand, the chairman of the liquidation commission, Stoyan Dimov, is ready to hold talks with the oblast administration on changing the commission's membership. In the view of the strikers, half of the present members are nonprofessionals who do not have a clue about agriculture. Moreover, the six-member commission contains only one representative of the cooperative. They say they will not cease their civil disobedience until the oblast administrator appoints a new liquidation commission.

The prosecuting service and the police will take firm action against all those who hinder liquidation commissions appointed by the oblast administrator from carrying out their functions and will bring criminal prosecutions against individuals concerned, states a joint declaration issued by the district prosecutor and the police director in Plovdiv.

The activities of ODS under the Slovak conditions should be at least initially less autonomous and more centrally directed. The building of structures cannot be done by Prague, of course, but it could at least determine a proper political line. It ought to be clear that creating its identity in relation to ODU-VPN [Civic Democratic Union-Public Against Violence] is not to be done by stressing an even more rightist approach to the economic transformation, because in this area no subjective differences between the two exist. This fundamental mistake, however, was already committed by several district spokesmen. Absolutely unelaborated is also the statement of Federal Assembly Deputy M. Kukucka, who transferred from ODU to ODS.

According to him, the Slovak right declares itself a right only in words, and therefore "there is the need to fill the vacated space with a more radical body that would stand solidly on civic democratic principles." These are just mere words. Not even one Slovak ODS representative has expressed that which is substantive and basic, by which this party can differentiate itself clearly and positively from ODU: It is the unequivocal and total rejection of the national principle in building the state, and an attempt to capture the approximately 20 percent of the population which, according to public opinion polls, prefers a unitary or union state. It appears that exceeding certain limits, given by the Slovak political environment, is for the time being taboo even for the "radical" ODS.

The division of KDH creates an entirely new situation on the Slovak stage, and it requires a thorough reevaluation of the confusing positions assumed by a part of the political spectrum. In the last Civic Democratic Alliance [ODA] proclamation there is an appeal for the activation of Slovak democratic forces. We can agree that democracy is a higher value than a federation, but begging Daniel Kroupa's pardon, the saving of Slovakia from a nationalist-socialist disaster is a matter of positive activity by all Czechoslovak democratic forces, an activity freed from underhand political calculations.

Buresova on Women in Politics, OH, Screenings
92CH0473A Prague ZEMEDELSKE NOVINY
(supplement) in Czech 4 Apr 92 p 1

[Interview with Dagmar Buresova, chairperson of the Czech National Council, by Ivana Hudcova; place and date not given: "The First Lady of Czech Politics"—first three paragraphs are ZEMEDELSKE NOVINY introduction]

[Text] Dagmar Buresova, doctor of jurisprudence, was born on 19 October 1929 in Prague. She passed her university examination in 1948 and then studied at the Law School of Charles University. In the 1970's, she defended a number of people who had been dismissed from their jobs because of their attitudes; she represented some of them in cases of libel and in defamation of character cases; she defended some before the criminal courts. Since 1945, she has been a scout; on 19 May 1990, she was elected as an elder of the JUNAK Association of Boy and Girl Scouts. She has two daughters, Zuzana and Lucil, and two grandchildren.

As of 6 December 1989, she has been the minister of justice of the Czech Republic; as of 26 June 1990, she has been the chairperson of the Czech National Council. She is a member of the OH [Civic Movement].

After November, a noteworthy paradox occurred in our country: Although a more express representation of women in politics is anticipated in a democratic society, in this country, in comparison with the past, their numbers actually decreased. Among the few exceptions is the first lady of the political scene—Dr. Dagmar Buresova, chairperson of the Czech National Council. If I say first lady, I am referring not only to her function. The post-November minister of justice, who is now the chairperson of the Czech National Council, is, for my purposes, a symbol connecting femininity with

intellect. As a defender of dissidents, she managed to demonstrate a characteristic which is normally connected more with the male gender—courage.

[Hudcova] Vaclav Havel has been heard to say that, for him, the world of large-scale politics suffers from a shortage of the refining female element. What is your opinion?

[Buresova] A woman should bring to politics an additional element—a greater capability to empathize. Not emotions—they have no place in politics. We are accustomed to adapting ourselves, to the extent to which a person wants to live in a good marriage.

In my opinion, there is no such thing as small-scale and large-scale politics: You either come off well with your friends, with your colleagues, with your immediate neighborhood, and then you are capable of engaging in politics, to agree on various matters. If you cannot accomplish the former, then you cannot accomplish even the latter because, if you constantly promote only your truth, if you are rolling it ahead of yourself like a huge rock, you will get nowhere.

Politics consists of action. Women, for the most part, keep the family together and, because they are more sensitive, because they want to surround themselves with a harmonious environment, they are more interested in living in peace with their neighbors. This is the very thing that preordains them to bring more civilization into the world of politics. More of them should be engaging in this sphere of activity. In this regard, I share the opinion of the president.

[Hudcova] For the most part, this is beyond the means of women—particularly young women....

[Buresova] And with regard to contemporary politics, we would most urgently need women in their thirties or forties, who are charged with energy and flexible in their thinking, who have the greatest creative inventiveness and courage. However, it is up to society to finally solve the problem of how to help these women—women who have households, children, families.

[Hudcova] How is your personal situation?

[Buresova] I cannot complain. My husband helps me a lot and, today, he is the one actually running the household. I need a half day off, at least on the weekend, so that I can devote myself a little to the family. I know... and this is precisely the main reason why women are not greatly interested in politics. They realize this other side of things quite thoroughly and, if they are young, cannot take the risk of losing their family.

[Hudcova] This is our domestic absurdity: Even while occupying a high office, a woman has worries regarding her household. When journalists were asking Mrs. Schwarzenberg some time ago which of her household duties she likes the least, she cutely stated that she does not know because she never had to do housework....

[Buresova] I remember that interview; Mrs. Schwarzenberg said that she possibly knew how to tidy up a room. To many of our women, her words sounded unbelievable—that is how deeply we have cultivated the feeling within us that we should not be different.

But things are different—even in this country, a stratum of the rich and the poor is developing. What is to be done? This is why I favor the program of the Civic Movement which accentuates social policy: The state must play an irreplaceable role which it cannot give up. For example, it will have to see to it that a person who has lost his job due to no fault of his own and who wishes to work is taken care of. It will have to see to it that anyone who becomes ill will be assured that someone will care for them.... After all, it is not possible to rely on the fact that being rich also means having responsibility, or that the rich will care for the socially weak as a gesture of goodwill....

[Hudcova] This is a function which the state has retained unto itself perhaps in the majority of the civilized countries of the world.

[Buresova] I believe that the attribute which is used by the Germans—a social-type market economy—is correct. After all, for whose benefit is a market economy? For society. If we were to permit such a development of the reform which would cause people to drop below a minimum level of existence, below the limits of tolerance, this would, on the one hand, be antisocial and, at the same time, we would be threatening the economic reform itself. Therefore, everything must have the right proportions and be mutually interconnected.

[Hudcova] You have the ideal education for the career of a professional politician. Why did you select law?

[Buresova] Even as a girl, such concepts as the law, justice, injustice, were important to me. They are important generally. Even a child, when it has its ears boxed and knows that the punishment was just, does not cry a lot. What hurts most is if it gets the impression that it was punished unjustly, say, for a friend. Even as a girl, I took the side of those who suffered an injustice. Later, the fact that my father had his own law office played a part and it was expected that I would join him as a partner. In the meantime, however, 1948 came about.

If you had the professionalism of the Czech parliament in mind, then I think that it is a good thing that the delegates represent various professions. Specialists from other areas work in the committees for the environment, for the national economy, for culture, for health services, for social affairs, etc. Today, it is necessary to confront the entire scale of problems from the standpoint of a deep knowledge of the matters at hand—professionally.

[Hudcova] You are right. I thought of this because our people, as I so frequently find, continue to be accustomed to obeying directives, but are unaccustomed to, as yet, consider their rights. I believe that this is precisely the factor which gives rise to a number of misunderstandings between the people and the Civic Movement, for which you are campaigning in the next elections....

[Buresova] This is indeed a large problem. Just take the lustration law as an example. It came about on the initiative of OH delegates, except that during the course of the legislative process in the Federal Assembly, there were a

whole series of change proposals and the principle of determining individual responsibility was lost in the process. I am a promoter of the lustration law. If we wish to forge a democratic state and a state of law, if we wish to forge it with the aid of legal means, it is necessary to adopt this law. And to adhere to it. However, much like the president and the Civic Movement, even I favor its amendment. It should include a clause permitting each positively lustrated citizen to have an opportunity to defend himself and the courts to have the opportunity to judge each individual cause.

This would enable the law to clearly differentiate between a person who, for example, signed up to collaborate because he was compelled to do so by force (as a result of a beating), and a confidential informant who provided information for money and because of a desire to promote a career for himself. Within the framework of the court evaluation, the court should have the right and the duty to take into account the merits of those citizens whose active resistance against the totalitarian regime promoted the renewal of democracy.

We must come to terms in some way with the past. Personally, I am vexed by the fact that we have cast out the net in such a manner as to capture small fish, while the large fish manage to tear through it and escape.

[Hudcova] That is why I am so pleased with the most recent activities of the Civic Movement which are attempting to concentrate on prosecuting even those large fish.

[Buresova] Of course, this is nothing new. I spoke on this subject as early as December 1989 with regard to the invitation which was issued to the armies of the Warsaw Pact. Of course, we were aware of the existence of the obstacle posed by the statute of limitations—a time limit of 20 years. However, it is against all common sense if the statute of limitations is permitted to run even at a time when it is impossible to accuse anyone of the relevant act. At that time, there was Article 4 of the Constitution and positions having to do with the leading role of the party, according to which the nomenclatura cadres were not to be subject to criminal prosecution without the approval of party organs.

[Hudcova] The recent decision by the Constitutional Court in Hungary, however, rejected the law calling for criminal acts committed during the period of "unfreedom" not to be subject to the statute of limitations.

[Buresova] Yes, but I think, on the other hand, that coming to terms with the past cannot be construed as the antithesis of the state of law. This is not a question of revenge, of imposing the maximum possible punishment upon former representatives of the system, but people should be told: These are people who are responsible for that which we experienced over the past 40 years.

[Hudcova] I am afraid that only those who stood at the lowest levels of the infamous chain of illegality and injustice are the ones being prosecuted. Let us take the trial of Lorenz et al. Insofar as it will be possible to sentence them for anything at all, it will clearly be for purely minor matters, such as detaining people for 48 hours. We cannot sentence them for having stood in high places in an amoral regime.

[Buresova] This is the very reason why we decided to endow the Milada Horakova Endowment, within the framework of which historians, lawyers, and political scientists would find employment. It will be necessary to open the archives and to properly and factually determine what took place and to establish what can be prosecuted while observing the law and what cannot. Then organs active in criminal proceedings can take over.

I emphasize that it is necessary to solve the problem by legal means, not to make up some kind of factual substance and apply it for the period which existed some years ago. A person can feel safe and live happily only if they have the assurance that nothing can happen to them if they have not violated a law.

If we do not take this into account, we could come into conflict with the Agreement on Human Rights and could end up before the court in Strasbourg, we could find ourselves once more on the blacklist, as was the case during the totalitarian regime.

[Hudcova] It is a paradox that the greatest positives of the OH are frequently considered by the public to be negatives—for example, the previously mentioned consistent respect for rights.

[Buresova] People like to receive simple answers to complicated questions. This is not only a problem for the OH; the Civic Forum was already dealing with this topic. It is precisely for this reason that I began speaking at our congress on the question of coming to terms with the past, even though the entire matter is still not worked out to its conclusion. The view of the world must not be black and white—this is the fundamental position of the OH. Everyone must realize for themselves whether he stood up for a colleague who was being dismissed or whether he remained silent at the moment something wrong was happening. Even maintaining that silence is worthy of punishment at certain times.

[Hudcova] And we have reached another positive—the disadvantage of the OH: A number of its members represent a covert twinge of conscience for others as a result of their existence. I am referring to the dissidents.

[Buresova] And I think that the OH in no way emphasizes this “marriage.” On the contrary. If someone was a dissident, he can be a brave and decent person. Of course, if, at the same time, he lacks capabilities in a certain specialty, there are no reasons why he should assert himself in that area of activity.

I think that the most detrimental thing for the OH is the fact that it is against extremes—be they from the right or from the left, that it is tolerant, liberal, that it wishes to understand others. After all, democracy is not merely a form of government, but also a view of the world. In my law practice, it has happened to me that I was in litigation before a certain judge, whom I respect immensely, regarding the interpretation of a paragraph of the law. In the beginning, we each supported a different view. During the trial, however, the judge persuaded me that he was right and I, in turn,

persuaded him that I was right, as we later told each other. That is democracy—to be open to the world, to anyone else's views.

[Hudcova] It is reported that several friends have told you that, according to them, you should more likely belong to some more hard-working party....

[Buresova] But I like the liberalism of the OH, which means freedom for people, understanding for others, and primarily concern for the happiness of people, not only their prosperity. Naturally, I know that to be satisfied is necessary to assure even the financial means required; I know that it is difficult for a person to be happy fighting for survival. Of course, in the OH we consider the economic transformation as a necessity, as a given.

[Hudcova] Yet another disadvantage—an OH positive: After two years of experience in governing, you are tied together by a knowledge of reality, by its limitations. You cannot make such lighthearted promises as, for example, those made by Mr. Sladek who will, moreover, hardly be placed in a situation at any time in which he would have to begin fulfilling his promises.

[Buresova] Only to criticize, that is simple.

[Hudcova] What would you advise those who will be electing the next chairman or chairperson of the Czech National Council?

[Buresova] They should keep in mind that it is not only important for the best person to become chairman. Not at all. The most important thing is that he be capable of coming to agreement with others, that he be able to take into account the positions of others, and that he attempt to create an efficient parliament. Of course, it is not possible to cement together 200 delegates, but what is important is to not permit purely party interests to predominate over substantive interests.

Resumption of Slovak-Ruthenian Relations Urged
92CH0503A Bratislava NARODNA OBRODA in Slovak
10 Apr 92 p 3

[Commentary by Ivan Stankaninec: “Neighbor and Partner”]

[Text] While discussing the topic of the CSFR and Subcarpathian Ruthenia in a program of the “What the Week Has Brought” series, Minister of Industry of the Slovak Republic J. Holcik said that the problem of Ruthenia means nothing to our middle generation. However, has he ever considered why is it so?

Wherever boots of soldiers-liberators entered and where the victory of the “will” of local population resulted in its unification with the state of “workers and peasants,” a new era of history began and consequently, the past had to be completely destroyed and forgotten.

In the case of Ruthenia, the grassroots kept alive memories of Czecho-Slovakia whose citizens they were in fact until 1939, and by law until 1945. Although the first Czechoslovak Republic could hardly be called an ideal state, the progress achieved by Ruthenia in the cultural, educational,

and also partly social areas in the 1919-39 period could never be forgotten. Therefore, the communist regimes on both sides of the new frontier intentionally and systematically tried to sever all cultural, religious, and in the end, also purely human ties between Slovakia and the Subcarpathian region forged over centuries.

Today we know how this building of new tomorrows ended. In Slovakia, however, the taboo about Ruthenia seems to continue. To this day, there is no Czechoslovak consulate and no representation of Slovak chambers of trade and commerce or of the Matica Slovenska organization in Uzhhorod. If we do not count the representatives of the Transgas and of the Presov Surface Construction Company, the Czecho-Slovak presence there is practically nonexistent. This is an egregious situation because it is unnatural, particularly in comparison with Hungarian political, economic, and cultural activities in this important geopolitical area of Central Europe. Hungary is consolidating its influence in Ruthenia systematically, step by step. It suffices to mention the scores of joint enterprises established over the past two or three years, or the programs of the Hungarian Consulate in Uzhhorod since last August, relaxed border contacts, or scholarships granted to Ruthenian students. The 160,000 Ruthenian Hungarians constitute about 11 percent of the total population; their cultural association benefits from considerable material and political support from official Hungarian circles. Budapest's industrial policies are producing results. A high game is being played for Ruthenia: Who will exert influence in this strategically important area which forms a bridge between the Carpathian-Danubian basin and Ukraine or even Russia?

Only a small part of the Slovak public is aware that the Ruthenians, the original population of the Subcarpathian region, have joined this game—quite noticeably over the past two years. It is a nation of 750,000, whose history, religion, and culture had been systematically suppressed by the Soviet regime since 1945. By recognizing the Ruthenians as a nation, the Ukrainian leadership has an opportunity to prove the sincerity of its intentions as regards its proclaimed efforts to build a lawful democratic state and as regards Ukraine's entry into Europe.

It is quite imperative for Slovak political and economic circles not only to follow and evaluate developments in their closest regional neighbor to the east, but to endeavor to broaden mutual contacts. Here Minister Holcik and his presumptive successor should turn their attention to and familiarize themselves with the project to make Ruthenia a

free economic zone, recently drafted by municipal authorities in Uzhhorod. They certainly would discover opportunities for joint ventures of Slovak and Ruthenian enterprises, for instance, lumber industry and furniture manufacture, mining of mineral deposits, or exploitation of the potential for tourism. In the cultural area it would be worthwhile to give a thought to traditional forms of contacts—exchanges of Slovak and Ruthenian scholarship students, ensembles, newspapers, and periodicals. Organization of a joint team of historians to study modern history of Ruthenia and eastern Slovakia, including the not yet fully known events of 1944-45, would be a very timely endeavor. Also, contacts with Slovak countrymen should not be ignored. Ruthenia—our neighbor and compatriot—is certainly worth it.

Election Projections, Effects on Economy Examined

*92CH0493A Prague EKONOM in Slovak
9 Apr 92 pp 20-22*

[Article by Ivan Sujan, head of the Federal Statistics Office: "Will Elections Influence Czechoslovak Economy?"]

[Text] Will the economic reform in CSFR continue on its present course and at the same rate, or will there be a correction and deceleration? Will it continue according to the same scenario, or will there be significant differences in the Czech Republic [CR] and the Slovak Republic [SR]? These and similar questions could be answered by the upcoming elections to the Federal Assembly and the national councils.

Survey of Preelection Voter Preferences

The Public Opinion Research Institute (IVVM) of the Federal Statistics Office is conducting (similarly as in 1990) regular surveys of voter preferences, based on questions asked of representative samplings of CR and SR citizens. The developments in voter preferences can be an important basis for objective projections of future election results.

Table 1 shows that there has been a significant stabilization of the Czechoslovak political scene during the last eight months. Fluctuation in voter preferences for individual parties (we shall use this term also for movements) are relatively small, the political spectrum is diverse and crystallized (if we omit the dozens of small parties, which, however, in their totality were given preference only by an insignificant number of respondents). The splitting of the original parties and establishing of new ones have for the most part already taken place, and to some degree this also applies to the forming of preelection coalitions.

Table 1. Development of Voter Preferences in Percent (According to IVVM Surveys)

Party (Coalition)	Date of Survey				
	Jun/1991	Sep/1991	Dec/1991	Jan/1992	Feb/1992
Czech Republic					
ODS (Civic Democratic Party)	18	18	21	21	22
KDS (Christian Democratic Party)	1	2	3	2	2
ODA (Civic Democratic Alliance)	3	2	3	3	3
KDU-CSL (Christian Democratic Union-Czech People's Party)	5	6	4	5	6
SPR-SMS (Society for the Republic-Association for Moravia and Silesia)	5	4	4	3	4
OH (Civic Movement)	8	4	6	4	5
HSD-SMS (Movement for Self-Governing Democracy-Association for Moravia and Silesia)	6	5	5	3	2
LSU (Liberal Social Union)	7	9	10	10	10
KSCM (Communist Party of Bohemia and Moravia)	10	7	9	7	9
Other parties	5	6	2	5	4
Undecided	24	29	25	30	26
Slovak Republic					
DS (Democratic Party)	5	4	5	3	4
ODU-VPN (Civic Democratic Union-Public Against Violence)	5	6	4	4	3
Spoluziti-MKDH (Coexistence-Hungarian Christian Democratic Movement)	1	3	3	4	4
KDH (Christian Democratic Movement)	13	16	13	15	14
SNS (Slovak National Party)	16	11	12	10	12
HZDS (Movement For a Democratic Slovakia)	(32)	26	30	27	31
SZNS (Green Party in Slovakia)	1	2	4	3	3
SDL (Party of Democratic Left)	14	10	16	10	9
Other parties	4	5	1	4	4
Undecided	9	17	12	20	16

According to the latest surveys, approximately 6-7 percent of the respondents will not take part in the elections. Table 1 includes only the views of those who want to take part in the elections, although a considerable number of them have not yet made up their minds for which party they will vote.

Attempt at Impartial Projection of Election Results

In view of the mentioned stabilization of the political scene, it is possible to construct a projection of the election results on the basis of the most recently known voter preferences (last column in Table 1) and some changes following the most recent survey. That mostly concerns the division of the original KDH into the new KDH and SKDH (Slovak KDH) estimated at a ratio of 65:35 percent, as well as the splintering off of parts of Society for the Republic-Czechoslovak Republican Party [SPR-RSC] and LSU (from its strongest component Agrarian Party), estimated in both cases as a loss of about 1 point in preference in favor of smaller parties; also the creation of the coalitions ODS-KDS and SDL-SZNS, as well as the expected coalition of rightist parties in Slovakia DS-ODU. On the other hand, the association of

parties having a low rating in voter preference with coalitions (for example, HSD-SMS with LSU) probably will not have a significant impact on election results, and neither will the splintering off of LDS, SZNS, etc. This obviously goes also for other parties that may emerge, or which may broaden the scope of their activities (for example, Democrats '92, similarly also the activation of the Club of Nonaligned Activists [KAN], the penetration of ODS to Slovakia, etc.).

The arrangement of parties from the right through the center to the left in Tables 1-3 is partially conditioned by and adjusted to the current situation in the CSFR. For the purpose of projecting the economic consequences of the elections, we are including among the "left" all parties which demand the slowing down of the economic reform, or a significant modification of it (mainly with emphasis on the social aspects). In Slovakia these are practically all those parties which emphasize the specifics of the Slovak economy and demand a different scenario of economic reform for the Slovak Republic.

Similarly conditioned is also the definition of the centrist parties, either because of their equivocal stand on economic reform, or by the mixture of rightist and leftist elements in their programs.

When projecting the distribution of votes of the thus far undecided voters, it is necessary to keep in mind the so-called gravitational effect of the largest parties. From Table 1 we can deduce that in the group of already decided voters, ODS in coalition with KDS has the support in CR of about 32 percent (i.e., 24 percent of the 76 percent already decided voters in CR), and HZDS in SR about 37 percent (i.e., 31 percent of the 84 percent already decided voters in SR). In the June 1990 elections, the gravitational effect manifested itself by giving each of the largest parties in CR and SR (i.e., OF and VPN) a share in gains among undecided voters roughly three times as large as their respective share of the number of decided voters three months before the elections. In the upcoming elections, in view of the changed circumstances, we can expect a weakening of this effect by roughly 50 percent, i.e., coefficient 1.5 instead of three. Then the share of the ODS-KDS and HZDS of gains among the undecided voters could be about 48 percent (i.e.,

12.6 of the 26 points in the survey from February 1992) and 56 percent (i.e., about 9 of the 16 points). In spite of the growing numbers of undecided voters, we can assume that they will be divided among the other parties in a ratio equal to what their current election preferences are. The same results would be brought about also by the possible lack of participation of some undecided voters in the elections.

Projections of vote distribution for individual parties in CR and SR, constructed according to the mentioned assumptions, are in Table 2. Numbers in parentheses indicate votes for parties that would not reach the levels needed for gaining a place in the parliament. This would affect, in addition to a number of small parties, also ODA, SPR-RSC, HZD-SMS, and quite surprisingly also the coalition Coexistence-MKDH. In the case of LSU, which is a coalition of three parties, it would satisfy the requirement of 7 percent for entry into the Federal Assembly, but not the requirement of 9 percent for entry into the Czech National Council. In the subsequent scrutinies, the "lost" votes are divided among parties which meet the conditions for entering parliament, in proportion to the number of votes which were given to them.

Table 2. Projected Result of Election and Distribution of Mandates in the Czech National Council [CNR], the Slovak National Council [SNR], and the House of Nations [SN] of the Federal Assembly

	Czech Republic			Slovak Republic		
	Party (Coalition)	Votes	Mandates in Percent	Party (Coalition)	Votes	Mandates in Percent
		CNR	SN-C			SNR = SN-S
ODS-KDS	36.6	49.0	44.6	DS-ODU	7.9	8.7
ODA	(3.8)	—	—			
KDU-CSL	7.6	10.2	9.2			
Total right	48.0	59.2	53.8	Total right	7.9	8.7
SPR-RSC	(3.8)	—	—	Coexistence-MKDH	(4.5)	—
OH	6.4	8.5	7.8	KDH	10.2	11.2
Total center	10.2	8.5	7.8	Total center	14.7	11.2
HSD-SMS	(2.5)	—	—	SKDH	5.7	6.3
LSU (ZS-SZ-CSS)	(7.6)	—	9.2	SNS	13.6	14.9
CSSD	12.7	17.0	15.4	HZDS	40.0	44.0
KSCM	11.4	15.3	13.8	SDL-SZNS	13.6	14.9
Total left	34.2	32.3	38.4	Total left	72.9	80.1
Other parties	(7.6)	—	—	Other parties	(4.5)	—

Judging by the experience from the preceding elections, it can be assumed that the distribution of votes for both chambers of the Federal Assembly and for the national councils will not differ significantly. With that also agrees the presumed distribution of mandates shown in Tables 2 and 3 (with some small deviation in the case of the Czech National Council because LSU coalition does not meet conditions for gaining an entry). In the People's House of the Federal Assembly we have to expect the ratio of the Czech and Slovak parties to be roughly 2 to 1. The estimate of the overall distribution of mandates in the Federal Assembly is shown in Table 3, where the current distribution is also shown for comparison.

Presumed Changes in Economic Policy and State Setup Following Elections

As Table 3 shows, the leftist parties will probably have a clear majority in the next Federal Assembly [FZ]. In the People's House [SL] this majority will not be very large, and, on the other hand, in the Czech part of the House of Nations [SN] (Table 2) the rightist parties could have a moderate supremacy. This situation could lead to problems in separate voting, especially in cases requiring a three-fifths majority (for example, already during elections of the president).

Table 3. Projected Distribution of Mandate in Federal Assembly

Party (Coalition)	Mandates in New FZ in Percent			Present FZ
	SL	SN	FZ Total	FZ Total
ODS-KDS	29.6	22.3	26.0	17.1
KDU-CSL	6.2	4.6	5.4	3.3
DS-ODU	2.9	4.3	3.6	10.7
Total right	38.7	31.2	35.0	34.8 ¹
KDH	3.7	5.6	4.7	6.4
OH	5.2	3.9	4.5	13.4
Total center	8.9	9.5	9.2	28.8 ²
SKDH	2.1	3.1	2.6	2.0
SNS	5.0	7.5	6.2	4.7
HZDS	14.6	22.0	18.3	6.0
SDL-SZNS	5.0	7.5	6.2	6.7
LSU	6.2	4.6	5.4	—
CSSD	10.3	7.7	9.0	3.7
KSCM	9.2	6.9	8.1	8.3
Total left	52.4	59.3	55.8	36.4 ³

¹Including ODA (3.7 percent)

²Including MKDH (3 percent) and Independent (6 percent)

³Including HSD-SMS (5 percent)

The new Federal Government will probably be made up of representatives of the leftist parties, possibly also some parties of the center. Of the Czech parties, to be considered will be mainly the CSSD and LSU, possibly even OH, of the Slovak parties HZDS, SKDH, and SDL. Even this relatively broad coalition would only represent about 46 percent of the votes in the Federal Assembly, so that it would also need the support of SNS, or possibly the Communist Party of Bohemia and Moravia [KSCM].

The future SR government will have an unequivocally national and leftist orientation (in the sense mentioned above). Hegemony in the Slovak National Council will be held by HZDS (Table 2), which will be able to choose its coalition partners from among SKDH, SNS, and SDL. In accord with the HZDS economic program, the SR government will obviously put emphasis on solving social problems and on financing growth programs aimed at reviving production and reducing unemployment even at the cost of a state budget deficit and controlled inflation. That will require an increased measure of government intervention in the economy (partial price regulation, slowing down of privatization, leaving a significant portion of properties in the hands of the state, etc.). On economic issues SR government will be consistent with the leftist Federal Government, but in spite of that, in view of its marked national orientation, it will push vigorously for maximum Slovak sovereignty. It is almost certain that the Slovak National Council will adopt the declaration of SR sovereignty, a "pure" SR constitution, etc.

On the other hand, the future CR government will obviously be rightist with a marked hegemony of the ODS in coalition with KDS, possibly also KDU-CSL. It will want to continue

with the radical transformation to a market economy according to the original scenario. It will be precisely the different views on economic reform which will most likely cause the CNR and CR government to be interested in a maximum weakening of the federation and the union with Slovakia.

The mentioned centrifugal tendencies, stemming from the different election results in CR and SR, could in an extreme case even lead to a break-up of CSFR into two independent states. However, because of the pragmatic elements in the politics of both ODS and HZDS, it is more likely that in an effort to mitigate economic losses from a division of the state and because of the negative reaction from abroad, a certain consensus could be reached to preserve the common state, although in a considerably looser (for example, confederative) form, with a minimization of the extent of powers of the common agencies.

Presumed Impact on Future Development of CR and SR Economies

In estimating the economic developments after the elections, we can follow on the prognosis which we published in the journal EKONOM No. 4/1992, and say that the expected developments will be closer to the less optimistic alternatives. Internal conditions will become more complicated by the different economic policies in CR and SR, and in external conditions the newest information indicates a less favorable development, the impact of which will be intensified also by the reaction from abroad to the complications of our political and economic situation.

In the Czech Republic, the accelerated and consistent privatization, minimization of government intervention, and a

stabilizing macroeconomic policy can bring about an increased influx of foreign capital. That will heighten pressure to increase efficiency, labor productivity, and competitiveness. We can therefore expect a gradual increase in production and export, which will be in its initial stage accompanied by an increase in unemployment (in 1991 in CR it increased substantially less in comparison to the decline in production, i.e., labor productivity decreased markedly). On the other hand, we can expect a gradual reduction in the inflation rate in CR, and a relatively favorable development of foreign balance of payments.

The development of the economy in the Slovak Republic will be obviously different. The implementation of a state structural policy based on deficit financing of growth programs could in the initial stage increase production and reduce unemployment. At the same time, however, it will cause inflationary pressure and increase of imports, and a negative balance of payments. With limited privatization and insufficient influx of foreign capital (because of the not very attractive conditions given by the economic policy), we cannot expect a significant increase in the efficiency and competitiveness of Slovak enterprises. The positive impact of deficit financing on production and employment could be only short-term (one-two years). The solution of the inadequate efficiency of SR economy would at the same time be postponed, while future development would be significantly

complicated by the accumulated internal as well as foreign indebtedness. With a considerable dose of optimism it is possible to imagine that in this situation there would occur in Slovakia a reevaluation of the economic policy and a return to the radical economic reform with commensurate macroeconomic restrictions, and maybe even to a new look at the relations between CR and SR under the pressure of the all-European integrating processes.

The offered projections of election results and their political and economic consequences need to be considered only as one of possible alternatives. However, it is an alternative which is the most probable according to the current information. The offered analysis of probable consequences of the elections could help make citizens better informed, because most of them as a rule do not think through the economic consequences of their votes either in the short- or long-term time frame.

The indicated probable election results and the political and economic consequences resulting therefrom can elicit various responses, positive as well as negative. But the lot of statisticians is to present objective information about current and probable future reality, without regard to whether the users of such information will consider them favorable or unfavorable.

Ethnic Hungarian on Cluj Mayor's Investiture
*92BA0805A Budapest UJ MAGYARORSZAG
in Hungarian 16 Mar 92 p 3*

[Letter by Laszlo Turos-Jakab: "I Do Not Tolerate Any Separatism"—They Swore in the Mayor of Cluj"]

[Text] Since Saturday, 14 March, as a way of demonstrating the results of the municipal elections, Kolozsvár [Cluj] has an officially inaugurated and sworn-in mayor in the person of Gheorghe Funar, member of the Romanian Party of National Unity. At the inauguration, which had repeatedly been postponed, a most colorful and most diversified audience composed of the cream of the city rich in treasures [an epithet for Kolozsvár] squeezed into the auditorium of City Hall. Due to the public nature of the meeting, the audience included numerous people who seemed out of place, but—as it afterwards turned out—were essential for influencing the atmosphere.

Following a scenario that has proved effective since December 1989, the assembly, imbued with exalted national feeling, was opened by the Romanian national anthem sung by the students of the Orthodox seminary, followed by a mass jointly celebrated by the Greek Orthodox bishop Irineu Pop Bistriteanu and the Greek Catholic bishop George Gutiu. As is customary until the election of a governing body, the oldest and the two youngest members of the council were entitled to direct the assembly: Two of them represented the RMDSZ [Democratic Union of Hungarians in Romania—UDMR in Romanian], and one represented the National Liberal Party.

The intent to apply psychological pressure to the councilmen representing the Democratic Convention and the RMDSZ was already apparent in the announcement and discussion of the agenda. A councilman of the RNEP [Romanian Party of National Unity] unambiguously attacked Peter Eckstein-Kovacs, one of the nominees of the organization representing Hungarian interests. After the election, an announcement of the judicial decree and the results of the election was followed by the proclamation of the newly chosen ratifying committee, which declared the municipal elections and the results of those elections to be valid.

During the presentation of the text of the oath to be sworn by council members, the RMDSZ member presiding over the meeting omitted for the second time the "Napoca" element from the name of the city. This intentional or unintentional omission was called to mind by the murmur of the audience, and it reminded us that the most important item on the agenda, the election of the deputy mayor, was approaching. But first the mayor was sworn in, and he did not neglect to append to his text the election slogan of his party.

The relative balance of the council of Kolozsvár could have been assured by a deputy mayor from the RMDSZ block of the Convention. Nevertheless, it came as no surprise that the confirmed mayor proposed for this office, as the first nomination, Liviu Medrea, a councilman of the RNEP, with the argument that he was a good specialist, a good Romanian, and—by mere accident—a founding member of the

Vatra-movement in Kolozsvár. Doru Victor Iancu of the Convention and Daniel Vladu, a representative of the Youth Wing of the Liberal Party, were also nominated. After two rounds of a complicated voting procedure, Liviu Medrea became the deputy mayor of Kolozsvár.

In his first mayoral address, Mr. Funar—as he said, "without any particular intent,"—reminded those present that the Romanian administration had been restored in this same auditorium after the reannexation, on 13 March 1945. Concerning his plans, he touched upon practically every area from unemployment to sports. He asserted that he is an open enemy of all separatism and privileges in any area of society and the economy. He further declared that he will continue to rely on the powerful help of the Vatra and his party in the future, as well. As an apparently still viable witness of the not-too-distant past, the coat of arms of what was formerly Kolozs county, decorated with a red banner bearing the hammer and sickle, watched the participants of the celebration from one of the walls of the auditorium....

Ministerial Appointments vs. Judicial Independence

Law Called 'Sketchy'

*92CH0425A Budapest NEPSZABADSAG in Hungarian
6 Mar 92 p 4*

[Article by "county correspondent": "Judge Who Placed Second Wins in Baranya"]

[Text] Dr. Balint Fekete, aged 48, has become the chief judge of the Baranya County Court. Justice Minister Dr. Istvan Balsai chose him from among six candidates for the post. Fekete had placed second on the list of recommended candidates chosen by the judicial conference in Pecs.

Dr. Gyorgy Gatos had come in first, with the votes of 32 of his colleagues. Balint Fekete had received 31 votes. Whereupon the justice minister decided to appoint Balint Fekete.

Dr. Jozsef Tamasfalvy, the former chief judge of the county court, did not run for the post this time. His comment on the events was: "The law is sketchy, and that has enabled the justice minister to interpret it in his own way."

'Scandal' Charged

*92CH0425B Budapest HETI VILAGGAZDASAG
in Hungarian 14 Mar 92 pp 74-75*

[Article by Istvan Nehez-Posony: "Justice Ministry Blundering"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The Justice Ministry has classified as secret even the names of the counties in which the minister has appointed as the county court's chief judge someone other than the [county] judicial conference's first preference. Moreover, the county courts have been forbidden to make any statement on the appointments. This proves exactly what the judges have been resenting in conjunction with the scandal over [judicial] appointments—i.e., that they lack independence.

The nationwide protest by judges about the justice minister's appointments of chief judges to the county courts ranks high in last week's chronicle of scandals. According to Gyorgy Sandorfi, the justice minister's principal private secretary, in nine counties the justice minister appointed someone other than the judge whom the county's judicial conference had found suitable. For Pest County, Istvan Balsai appointed a judge who had received merely 28 votes, rather than the one recommended by 115 votes; and for Tolna County, a judge with merely 19 votes, rather than the one with 30. It is rumored that an MDF [Hungarian Democratic Forum] deputy had persuaded the winner in Tolna County to run for the post; and earlier there had been news of similar MDF "pressure" also from Hajdu-Bihar County.

Speaking at the recently held Pest County judicial conference, Karoly Horeczky, the president of the National Association of Judges, said that he felt the reasons behind the appointments were political. This view appears to be confirmed by the fact that the candidate with an overwhelming majority of the votes, the county court's chief judge to date, had been appointed to that post by the former justice minister, Kalman Kulcsar. Thus the indications are that the justice minister intends to carry out a "consistent change of political systems" within the judiciary.

Of course, the nomination of chief judges is a question of somewhat greater importance than perhaps the selection of enterprise managers loyal to the MDF, for instance. For here the parliamentary democracies' traditional structure of state powers is involved, as expounded by Montesquieu. For, according to the well-known theory, the state's legislative power, executive power, and judicial power—in other words, the National Assembly, the executive, and the judiciary—must be separate branches and must function independently of one another. Consequently, the executive cannot have a right to interfere in any way in the exercise of judicial power, because that would violate the courts' impartiality and independence. That principle is entrenched also in the Hungarian Constitution now in force: the judiciary is independent, bound only by law.

This latest interference by the Justice Ministry in the judiciary makes questionable specifically the independence of the judiciary as a separate branch of state power. In any event, the following argument in the statement of the justice minister's principal private secretary sounds somewhat cynical: "For the standpoint of the judicial conference to be effective, the law does not require a certain number or proportion of the votes in favor of recommendation. Nor does the law authorize the judicial conference to set the proportion" (NEPSZABADSAG, 3 March 1992). In plain language this means that if 80 percent of the judicial conference supports one candidate and 20 percent another one, then the minister is entitled to choose between them; evidently on the basis of the argument that the candidate with 20 percent of the votes also had support, albeit not as much as the first candidate. After all, this is not an election in which the candidate with the most votes is the winner! According to this view of the minister's principal private secretary, then, the minister is not bound by the judicial

conference's recommendation; he is bound by it only in the sense that he cannot appoint a candidate who had not polled any votes at all.

According to the opposite view, the minister violated the law when, contrary to the judicial conference's recommendation, he appointed a candidate who had received a smaller proportion of the votes. That is the declared standpoint of Pest County's judicial conference.

In view of the contrasting standpoints, it will be of interest to look back on the pertinent events of the past three years. Within the judiciary, the change of political systems began in 1989, still under the previous government. The Law on the Advancement and Remuneration of Judges was enacted in 1990. The groundwork to substantively amend Law No. IV of 1972 on the Judiciary began in 1991, when delegates of the judicial fraternity met in Pilisszentkereszt to begin forming self-governments. For if democratic Hungary wanted a truly independent judiciary, the latter had to have self-government. Which would have meant that the judges attached to the various courts would elect the chief judges from among their own ranks, nominate the other court officials, and their elected bodies would exercise disciplinary authority. As a Kaposvar judge summed it up in response to our question: "If judges can be entrusted with deciding the most serious and sensitive cases of other citizens, then why would they not be suitable to solve their own affairs autonomously?"

At that time, in 1991, the idea of self-government as one of the guarantee of the judiciary's independence still enjoyed universal support. At the Lawyers Congress held in Debrecen that October, for instance, the justice minister quoted the following passage of the speech from the throne that had been read to the National Assembly in 1869: "Efficient, swift and impartial administration of justice belongs among the primary prerequisites for a state's orderly life. Therefore it is essential to provide every possible guarantee that those to whom the exercise of this important judicial power is entrusted remain independent of individuals and of executive power as well." In that same speech the justice minister also said; "The mode of appointing judges, chief judges and other court officials is a fundamental element of the judiciary's independence. For appointments by the justice minister, therefore, our legislative bill will require the concurrence of the county court's chief judge and of the county's judicial conference.... The judicial conference corresponding in rank to that of the court in question is entitled to adopt a standpoint on the applicant's suitability."

Concern was voiced already at the mentioned conference that the "right of concurrence," well known from communist times, would not be an adequate guarantee; instead, the self-governing bodies of the judiciary ought to be vested with decisionmaking authority. The minister fended off this proposal at the time by saying that the right of concurrence actually meant a veto; the minister could appoint as chief judges only candidates who enjoyed the confidence of the judicial conferences. He then promised not to appoint anyone other than the candidates whom the judicial conferences would recommend.

After these antecedents, Law No. LXVII of 1991 amending the earlier Law on the Judiciary provided that, in the case of a vacancy for a chief judge of a county court, the county's full judicial conference would adopt a standpoint and submit its recommendation for appointment. In other words, everyone thought that the chief judges and other court officials would be appointed on the basis of the judicial conferences' recommendations. After all, that was what the minister had promised.

The current scandalous events seem to have proved the opponents of the minister's standpoint right. The minister has not adhered to the standpoints of the judicial conferences; indeed, he has made appointments that are directly in conflict with their standpoints. And that is open interference in the judiciary's independence, in the exercise of judicial power independently of the executive.

That would be the case even if merely personnel questions were involved. But that is not the only place where the shoe is pinching. The law treats the Supreme Court separately from the other courts. The Supreme Court has a separate heading in the state budget, the President of the Republic appoints its justices. From the viewpoint of administration, however, the county and local courts are not subordinate to the Supreme Court, as one would logically expect. Instead, they are subordinate to the Justice Ministry. The courts, with the exception of the Supreme Court, are included in the ministry's budget. Over and above that, the minister also has the authority to institute disciplinary proceedings against the courts' personnel, and it may even appeal the sentences in disciplinary cases. The minister of justice appoints the chief judges of the county courts, and the chief judge appoints the officials of the local courts. Through this method the minister of justice exercises authority over all courts, except the Supreme Court.

His rights make the judiciary's independence highly questionable. For if someone has the right to appoint an organization's chief, the right to administer its finances, and the right to institute disciplinary proceedings against its personnel, then who would claim that the organization in question is independent of the person in whom these rights are vested?

Constitutional Court's Ruling

*92CH0425C Budapest HETI VILAGGAZDASAG
in Hungarian 14 Mar 92 p 75*

["Excerpts" from the Constitutional Court's ruling and minority opinion—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] In Law No. IV of 1992 on the courts, the provisions of the section regulating the relationship between the ministry and the courts are not unconstitutional, according to the Constitutional Court's Decision No. 120, published in *MAGYAR KOZLONY* last October. In the following we quote from that decision, and from the minority decision written by two justices of the Constitutional Court.

"The mover regards as unconstitutional the authority that the Law on the Courts, without infringing on the judiciary's independence, grants the justice minister (a) to provide the personnel and the material conditions necessary for the functioning of the courts, and (b) to direct the chief judges' administrative activity and to specify the courts' internal regulations.

"In (the mover's opinion), there can be no doubt that the Constitution regulates the courts as an independent branch of state power. Therefore the courts are not a part of the executive headed by the minister of justice, and the minister cannot have constitutional prerogatives regarding the courts.

"The motion has no merit.

"Judicial power..., with which the judiciary's independence is associated, is realized predominantly in the administration of justice.

"Naturally, the provision of personnel and material conditions is an indispensable prerequisite for exercising judicial power.... But the securing and continuous provision of these prerequisites do not necessarily belong among the exclusive prerogatives of exercising judicial power. Section 35, Paragraph 1, Items a) and b), of the Constitution assigns to the executive the responsibility to safeguard constitutional order and to ensure the enforcement of laws, which includes also the undisturbed administration of justice.

"Statutory regulation is not necessarily unconstitutional if it assigns to the justice minister—without infringing on the judiciary's independence—certain functions and authority in conjunction with developing the personnel and the material conditions for the administration of justice."

"Minority opinion of Justices Drs. Antal Adam and Imre Voros:

"The Law on the Courts emphasized, and emphasizes even today, that the justice minister, in the course of exercising his authority, may not violate the principle of the judiciary's independence. Nevertheless, the exercise of these rights has given the executive wide scope to interfere forcefully in the life of the courts.

"The executive cannot have a meaningful say in shaping the judiciary's internal order, nor in questions pertaining to the assignment or transfer of judges.

"The present regulation of ensuring the personnel necessary for the functioning of the courts (Law on the Courts, Section 51, Paragraph 2, Item a) and on directing the administrative activities of the chief judges (Law on the Courts, Section 51, Paragraph 2, Item b)... gives the executive—the justice minister in the given case—wide opportunity to forcefully interfere in the life of the courts, and it does so without any constitutional guarantees...; consequently, these (provisions) violate the Constitution's principle of the judiciary's independence and are, therefore, unconstitutional."

Ministry Officials Comment on Defense Study

*AU2704094992 Budapest NEPSZABADSAG
in Hungarian 21 Apr 92 p 13*

[Article by V.P. including interviews with Major General Jozsef Kelemen, deputy state secretary; Csaba Kiss, head of the defense policy department; and Tibor Szegedi, engineer major general, military department leader; place and date not given: "Do We Need a Rapid Deployment Force?"]

[Text] The study by Lajos Horvath, parliamentary representative of the Hungarian Democratic Forum and member of the Parliamentary Defense Committee, published in the *MAGYAR HONVED* [Hungarian Soldier] newspaper understandably had a great impact in domestic affairs and diplomatically, too. We have already published an interview with Horvath and some opinions. We will quote some of the major points of the study to make it easier to understand the following interview with high-ranking Defense Ministry officials that we conducted in the presence of Deputy Horvath.

1. "The goals and the essence of the Hungarian Republic's security strategy necessarily requires the Hungarian Army to perform defensive activities against aggression against the nation, and in relation to this, offensive activities directed at removing the consequences of the aggression."

2. "In order to temporarily counterbalance the current weak and scattered state of the Army, a mobile deployment force with a relatively large firepower should be created from the greater part of the existing military technology and staff, which could immediately and effectively be deployed in critical areas. This force has to be increasingly combat-ready to deter or prevent any kind of possible attack." (The study lists the countries that might be a source of danger.)

3. Among the development tasks of the Army, he mentions to achieve the ability to carry out aerial warfare, including ensuring the operational ability to strike. Effective defense ability against missiles is also mentioned, and he explains that the cheapest effective defense is the ability to respond to a traditional attack with the same kind of missile attack and to chemical attack with chemical attack. "So long as the neighboring countries have not removed their Scud and Frog missiles as a result of some kind of political agreement, we cannot give up acquiring these kinds of equipment."

Some of the Defense Ministry officials' remarks on the various points of the study follow here. We interviewed Major General Jozsef Kelemen, deputy state secretary, Csaba Kiss, head of the defense policy department, and Tibor Szegedi, engineer major general, military department leader.

[V.P.] Can Deputy Horvath's study form the basis of a new military doctrine?

[Kiss] The military doctrine, the principles relating to defense—I could call it a philosophy—is a particular combination of general security policy views and the many years of experience relating to the actual military activities, tactics, and the practical application of the Army. We cannot talk about this because we are in the first stage of creating an independent Hungarian military force. Therefore, I would

prefer to talk about defense principles or main goals.... I feel that I can find certain thoughts in the study that depart from the evaluation of the situation that we use to characterize our own security situation.

These are very delicate issues. Where a country can be threatened from is usually talked about in a reserved way. The main directions are usually not names. This is done everywhere in our area, including Austria: Even the actual reference to potential aggressors are simply avoided. We do not want to hurt anyone's feelings, either; this is an extremely delicate matter and if we place the stress on the wrong places then the whole picture can turn upside down and others will understand our supposedly defense concept as saber-rattling.

[V.P.] One of the Army's jobs is to defend the Hungarian nation—which, as is well known, is a wider notion than the Hungarians living within our borders—against aggression?

[Kiss] This is a very delicate issue because security policy has a broader interpretation that can include the notion of a nation. We also always have to think about the Hungarian minorities living beyond our borders. However, this has rather a moderating effect on Hungarian politics and security policy. This cannot be understood in such a way or give grounds to such interpretations as if this included any aggressive intentions. When we are talking about security policy, we are thinking of the defense of the country. We wish to defend the borders, sovereignty, and territorial integrity of this country and that is the task of the Army. Naturally, obligations undertaken in the UN Charter also belong here. Hungarian security policy has no tasks other than these. Therefore, in this respect, the Hungarian minorities cannot be implied (in the concept of the defense of the country).

[V.P.] Is there any justification for the notion of deterrence in a current or future military doctrine?

[Kelemen] Ultimately, it is a political issue. The army is the emphasis of a country's politics, as Horvath wrote in his study, it is the final tool. A reasonable size of armed forces is the size that holds an aggressor back. We cannot identify with the notion of deterrent. Actually, in the relations between the Warsaw Pact and NATO and between the Soviet Union and the United States in the last decade, we were able to find out what deterrence meant: A feeling of being threatened on both sides and the arms race developed.

We could not manage a deterrent economically, either, because we would have to install "fourth generation" weapons representing the latest level of technology, tools of the Gulf war. We would not be given these extremely expensive weapons, either.

For us, holding an aggressor back, rather than deterring, seems to be suitable. What is the difference? I feel that keeping back means an army equipped with modern quantitative and qualitative indicators. We are thinking of enough defense power and means when talking about this. This is more than we have now, because in its current state, the Army is suitable for certain activities, but it certainly does not hold anyone back. (On the other hand, our Army's

weapons, combat-readiness, and moral and other state is no better and no worse than that of the neighboring countries.)

If the holding back is effective, someone considering aggression must reckon with the possibility of our striking back, but this does not create a feeling of threat.

[V.P.] In Hungary today, is there a possibility and need to set up a rapid deployment force mentioned by Deputy Horvath?

[Kelemen] It is possible to agree with the principle but not with the size of the organization. In my view, this small country cannot afford to form such a force. It can afford it neither in a military sense, because, among other things, it would create a disproportion in the territorial distribution of the army, nor in an economic sense.

To look at it from the point of view of the need, such a force would mean approximately one-third of the Hungarian land-based forces, and a considerable number of the officers would have to be concentrated here. At the same time, because of Hungary's size, the peacetime army can be quickly regrouped at any time. In addition, if we have to count with aggressions, well, in this region, there is no possibility for an immediate—therefore surprise—large-scale, and overall attack, because there would be many military and political indications.

[Szegeci] Even in peacetime, there is a need for a force the size of the proposed rapid deployment force. However, I do not think it is expedient to set it up in this organizational form and concentrate it in one place. The geographical situation of Hungary does not warrant—from a purely military point of view—positioning such a unit either between the River Danube and the River Tisza, or beyond the River Tisza. In the event of war, the first thing the enemy does is prevent regrouping, namely, it would occupy the crossing points at the two big rivers. This means that the unit would not get to the place where it should go to.

In this respect, let me remind you that a country's ability to mobilize is of decisive importance from the point of view of defense capability. The number of people that can be mobilized is much larger than what a country can maintain in peacetime, if for no other reason than for economic reasons.

[V.P.] Can or should Hungary prepare to introduce rockets again or for the possible use of chemical weapons?

[Kelemen] The Hungarian Government has already withdrawn the missiles from the system. In addition to controlling these weapons, international military security efforts are directed precisely toward mutually removing them from the arsenal and eliminating them. Therefore, in my view, it would be unacceptable to bring back these missiles into this region.

[Szegeci] The ability to possibly employ weapons of mass destruction—this would include chemical weapons—emerges (in the study—editor's note). In my opinion, these weapons should continue to be kept out of our arsenal, with us insisting that we do not want to possess such equipment in the future, either. It is mentioned in the study what would

happen if we suffered such an attack. (I add that, in addition to a chemical attack in the strict sense of the word, "such an attack" can also mean an attack with traditional means on certain industrial plants, for example, a chemical factory.) If we prepare for this possibility, then it is obvious that we have to possess all the defensive tools to protect the population and the army itself from the chemical weapons, or from effects equivalent to their use.

Lajos Horvath replied to a number of points. He said that a rapid deployment force could have many great advantages over the current system. First, in a tense situation, it might make a leadership with offensive intentions reconsider, and the mobilization would not be necessary. In fact, there might not be time for mobilization and it in itself can also lead to misunderstandings. Second, it could be a lot cheaper.

Defending his suggestion on the possibility of introducing missiles and chemical warheads, Horvath said that, according to his experience, the world was not even aware that Hungary had disarmed its missiles while its example was not followed everywhere in the region, and some of its neighbors might still have chemical weapons. He said that reciprocity was essential and this principle should at least be kept on the agenda, and this way, a diplomat might say the following to the ambassador of "the other country," maybe in London: Why do you allow the Hungarians to keep this on the agenda, why do you not disarm, too.... Horvath added that a member of a parliament can say certain things that a government member cannot.... We cannot, he added, only start from the present situation when thinking about the Army. Even if there was a change in power in Hungary, extremists demanding the revision of borders could not come to power, whereas some extremely anti-Hungarian elements that are even considering border revisions do exist in our neighborhood, and the possibility of their coming to power cannot be excluded, if for no other reason than economic destabilization. "If it is only us who is deterred instead of a mutual deterrent, then this is a political mistake," he said among other things in the debate, which is likely to continue.

Japanese Assess Risk of Investing in Hungary

92CH0429A Budapest NEPSZABADSAG in Hungarian
9 Mar 92 p 3

[Article by Andras Trom: "Japanese Survey: Hungary's Rating Improves"]

[Text] It can be established from a report by one of Japan's most influential research institutes that the risk of cooperating with Hungary declined somewhat during the past six months, but the picture is still far from being as favorable as in the period between 1987 and 1989. Every six months, on the basis of 15 criteria, the Japanese Bound Research Institute evaluates the political and economic situation in 100 countries, in order to be able to provide guidance for Japanese government circles and that Far Eastern country's economic leaders interested in the international bond market.

On a scale of 10 points, the Country Risk Report released last week gives Hungary an overall rating of 5.3 points,

which is an improvement of 0.4 point over July 1991. But it is noteworthy that the present situation lags significantly behind the 5.9-point average for the period between 1987 and 1989.

Of the 15 criteria, only one—investment policy—gets a more favorable Japanese rating than five years ago. In the research institute's opinion, political predictability suffered the sharpest decline: it scored merely 5.9 points, as compared with 7.4 points in July 1987. As a result of which, the rating for political stability was merely 6.0 points in January of this year, as compared with 7.4 points five years ago, and 7.0 points three years ago. The greater risk of social turmoil, evident from merely a 7.0-point rating for stability as compared with 7.9 points five years ago, obviously played a role in this.

The developmental level of industry still scored 6.9 points in the summer of 1987, but now it has received merely 5.7 points. The feasibility of solving the principal economic problems scored 6.0 points five years ago, as compared with 5.1 points at present. The decline in the rating for the effectiveness of fiscal policy matches this completely. It is noteworthy that the Japanese research institute rates lower than five years ago Hungary's ability to service its foreign debt. The present rating is 4.1 points, as compared with 4.9 points in July 1987 and 4.6 points in January 1990.

As before, the report is the most optimistic in its assessment of the feasibility of avoiding the threat of war; that rating has merely fallen to 7.9 points, from 8.0 points five years ago.

On the basis of the above data, our country ranked 41th among the 100 countries surveyed. In Japan's assessment, the situation in our country is incomparably better than in the East European region as a whole; its general situation scored 3.6 points.

Soos: Government Aims To Restrict Privatization

92CH0429C Budapest HETI VILAGGAZDASAG
in Hungarian 7 Mar 92 pp 72-73

[Article by Deputy Karoly Attila Soos, economist, Alliance of Free Democrats: "Renationalization"]

[Text] The legislative bills on the further fate of business assets currently state-owned indicate a fundamental shift in the government's economic policy. This time I do not even want to waste words over the fact that the State Assets Trust Corporation—the hydrocephalus intended to be placed over the enterprises that are to be retained permanently in state ownership, because of their "economic strategic importance" of some sort that heaven only knows—will mean an additional government and an additional state budget that nobody besides the MDF [Hungarian Democratic Forum] will be able to control. One of the most important novelties in the government's mentioned legislative bills is "compulsory transformation into companies" (i.e., into corporations or limited-liability companies) of all enterprises that in principle are to be privatized. In most cases (in the absence of a sufficient number of buyers) these companies will be sole corporations or sole limited-liability companies, i.e., they will be wholly state-owned. And that—in contrast to the now widely employed form of the local-government

enterprise that cuts the state umbilical cord after all—will certainly be renationalization itself. A willingness to initiate privatization in particular is by no means the last or least of the local-government enterprises' evident advantages. In the eyes of many people, "spontaneous" privatization is like a red flag to a bull. But it is one of the main pillars on which the Hungarian economy's generally recognized relative flexibility, in comparison with the rest of east Central Europe, and its significant influx of foreign capital are based. Thus "compulsory transformation into companies" can be compared only to the most disastrous steps taken by the present government's predecessors. For instance, to the November 1972 resolution of the MSZMP [Hungarian Socialist Workers Party] Central Committee; as if fed up with the economic results achieved through reforms, it placed political and ideological aspirations back into the forefront of attention.

Certain modifications of privatization's legal system are unquestionably necessary, and on a few points exactly the way the legislative bill proposes. It is proper, for instance, to enact into law simplified ("self-") privatization, which is not prohibited even now, but only small enterprises are employing it. The same can be said of privatization through leasing. There is also need for the very useful institution of the management buy-out, well known in the West. Although not prohibited even now, it appears in the legislative bill only very faintly. That, evidently, is a gesture to the right wing that is demanding a new "class war" against directors of "nomenklatura origin" and is gaining ground also within the government camp.

It would be useful if parliament—for the sake of greater security based on law—were to enact, in addition to the modifications mentioned above, also other possible methods of privatization that cannot be excluded. The generally binding nature of the statutory regulations on privatization ought to be strengthened, which simultaneously would curb the State Property Agency's discretionary decisionmaking authority. That would warrant allowing the judicial review of the agency's decisions. Of course, it was no accident that the Antall government had parliament bar judicial review of the agency's decisions in the summer of 1990, although the government was then pursuing policies much more privatization-friendly than at present. Through minor changes in the present legal framework, then, it would be possible to help speed up privatization, and at the same time to depoliticize it. According to the indications, however, that would be very far from the government's aspirations.

There are serious, unsolved problems on the demand side of privatization. The generally binding nature of the statutory regulations is lacking there as well. The possibilities of significantly increasing the domestic demand for privatization have not been clarified. Until the results of the large-scale experiment currently taking place in Czechoslovakia become known, it is now worth waiting a few months more to decide whether the right solution is to provide loans on more favorable conditions than at present, or to distribute assets free of charge, as a citizen's entitlement. That, of course, is not the way the government is putting the question. For the government's objective appears to be not the acceleration of privatization, but its slowdown. And even renationalization, which cries out from the legislative package presented to parliament.

Privatization of Publishing Houses Problematic
92CH0438C Paris LE MONDE in French 22-23 Mar 92
p 15

[Article by Yves Michel Riols: "No Buyers for the Houses"]

[Text] Budapest—The date, 10 September 1991, marks a symbolic shift in the history of the Hungarian literary world: Official ads were published for the first time in large daily newspapers for the auction sale of some 10 bookstores, a fate which, until now, had been reserved for butcher shops, grocery stores, and other small businesses integrated within the large state companies.

It is the beginning of a broad privatization program that will play havoc with the Hungarian publishing world. It is a world in total confusion since the emergence, two years ago, of unbridled private competition. But the book sector, more than the others, is being particularly affected by the drop in the population's standard of living. Another handicap is the collapse of a distribution network administered by three moribund state companies, the owners of some 400 bookstores throughout the country.

The transformation of the 17 publishing houses, modeled in the late 1940's after Soviet houses, was unavoidable. However, since coming to power 16 months ago, the new conservative government, anxious "not to sell off the cultural heritage," took a long time deciding on a course of action. After more than a year of difficult negotiations between the Ministries of Culture and Finance, a progressive privatization project was finally formulated in May, with the result that the sole publishing house to remain totally in the hands of the state will be the one publishing school books. All the others are up for sale, except for one restriction: The largest share of the capital of four publishing houses which, according to Peter Inkei, the director of the Book Section of the Ministry of Culture, "hold special value for the nation," will have to be held by Hungarian groups. Among these four companies, two specialize in classic literature, one is involved with children's books and the last one publishes music scores exclusively. The Kultura Foreign Trade Company and a large state printing plant are also both for sale.

A Very Wavering Demand

However, prospects are rather gloomy: For lack of a buyer's market or of public subvention guarantees, only foreign investors are in a position to aid the Hungarian publishing sector. As it stands, they are not rushing to do so. Istvan Bart, the director of the Corvina Publishing House, which specializes in the publication of foreign language books, is disheartened: "We should have been privatized a year ago. Businessmen were then marching through my office. But, for lack of precise directives from the state, I could not tell them anything. Now, they have all become discouraged." The German, Julius Springer (no connection with the Axel Springer press group), has also lost patience.

For lack of a conclusive response from the government concerning his plan to repurchase the *Etat Medicina* company, he simply laid off the entire executive branch of that publishing house in order to establish another company.

The golden age of Hungarian publishing was short lived. The last socialist government created a real boom in 1989 by lifting the last restrictions on the publishing of books, newspapers, and periodicals. Everything that had been forbidden for the past 50 years was distributed by tens of thousands of copies, and the streets were taken by storm by a cohort of second-hand bookstores. A total of more than 300 private bookstores were counted. "But only a handful," believes Peter Inkei, "are true publishers, able to offer a serious catalog." However, in the space of two years, all these companies, together, have nonetheless managed to corner half of the book market, which has an estimated annual value of some 8 billion forints (some 800 million francs).

More dynamic and flexible, the private publishers have known how to make the best of an extremely wavering demand. After a first wave of curiosity for political books and pornographic magazines, books on practical living and esoteric issues are now achieving a great success. The development of sales of the Lang Publishing House, one of the foremost private companies, is an indicator of this trend. With over 90,000 copies sold, a biography of Stalin (written by a Hungarian, but the rights of which had been repurchased from the Soviets!) was one of the best sellers of the company in 1988. This year, with sales bordering on 800,000 copies, it is a series on horoscopes that heads the honor list!

Government To Sell New Series of State Bonds
92CH0429B Budapest NEPSZABADSAG in Hungarian
5 Mar 92 p 5

[Article by Karoly Csabai: "New Series of Obligations in June"]

[Text] Yesterday we were informed at the Hungarian National Bank that foreseeably between 7.0 and 8.0 billion forints of government obligations will be issued on 1 June to finance this year's budget deficit. It will be possible to subscribe to the new securities probably as of 1 May. In addition, another issue of the same amount can be expected in September.

It will be remembered that the first issue of government obligations, totaling 15 billion forints, was floated last autumn. The rate of interest on the new securities that can be subscribed to as of May will be geared to the average yield, during the previous six months, of the 90-day discounted treasury bills auctioned by the Hungarian National Bank, but—according to the plans—the 2-percent premium on the earlier securities will disappear or may be reduced to 1 percent. Interest on government obligations is paid semi-annually.

Incidentally, probably a syndicate of domestic banks will underwrite the issues this year, in the same way as last year. The members of the syndicate will not only distribute the securities, but will also buy some themselves and, if necessary, will sell them in the domestic secondary securities market. This guarantee is necessary because also last year relatively few private individuals bought government obligations. According to the central bank's experts, the amount

of government obligations to be issued in September will depend primarily on how much of the first series will have been sold in May.

At the same time, foreseeably 10 billion forints of treasury notes are expected to be issued in late April. They will mature in three years, will earn a fixed rate of interest, and will be sold primarily at auction. The interest rate will probably decline each year; according to the proposals, from 30 percent to 25 and 20 percent, respectively.

In addition, the state budget will probably issue already in March, exclusively for the commercial banks, government obligations totaling 35 billion forints. The interest rate on these securities will probably be set somewhat lower than the average yield of 90-day discounted treasury bills during the preceding six months.

Incidentally, these securities will serve essentially to redeem the 20 billion forints of discounted treasury bills purchased last year and extended in January of this year. Finally, the Hungarian National Bank would like to issue also 180- and 360-day discounted treasury bills. For, according to the law enacting the annual state budget, this year the volume of issued and outstanding treasury bills, with maturities of up to one year, may be increased by at least 9.8 billion forints.

Details on Development of Cable T.V.

92CH0438B Paris LE MONDE RADIO TELEVISION
in French 23-29 Mar p 16

[Article by Yves Michel Riols: "The Americans Are Getting Established in Cable T.V."]

[Text] The Americans have positioned their audiovisual bridgehead in formerly socialist Europe, on the third floor of an old tobacco plant in Budapest. It is the location of Kabelkom headquarters, a joint company, 50 percent of which is owned by Time Warner, the owner of HBO, the largest paid television network in the world. In October 1991, Kabelkom launched the first access-coded channel in Central Europe; it broadcasts three movies per evening. For the time being, it is being transmitted to six Hungarian towns. The first 15 minutes is clear, but thereafter, only the 30,000 subscribers equipped with a decoder can follow the programs.

HBO is establishing itself in an already developed market: There are some 50 local cable networks throughout the country, with nearly 800,000 households subscribing to cable (more than in France). Fifty-seven percent of the population can receive programs via satellites, broadcasted essentially via ASTRA. But, in prime time, the audience of these channels does not exceed 6 percent. Robert Leighton, the director of Kabelkom, notes that "in Hungary, a larger number of people have access to satellite television than to telephones."

Over the next two years, HBO intends to invest more than \$30 million for the development of Hungarian networks. Its long-term objective is to set up the first national Hungarian-speaking movie channel. But, in its current version, the bill contains two major obstacles: Network owners do not have

the right to broadcast their own programs, and the greater part of these programs must be Hungarian or European.

French Paper on Conflict Over Hungarian T.V.

92CH0438A Paris LE MONDE RADIO TELEVISION
in French 23-29 Mar 92 pp 16-17

[Article by Yves Michel Riols: "Hungarian Fog"—first three paragraphs are LE MONDE introduction]

[Text] The Hungarian parliament is due to approve, in the near future, a law authorizing the creation of two—one radio, one television—private national channels.

But many uncertainties remain.

The political class is trying to maintain its influence on the public service media.

At first glance, the situation appears strange. In early May, Hungarian television was assigned a vice president whose purpose no one really knows. His duties are to be defined by the president of the two public channels. As it stands, the latter had been teaching sociology in an American university for several months when his deputy was appointed. The first contact between the two men was, to say the least, distant: The day following his appointment, the number two man was reprimanded by the president, who was still in the United States. They finally crossed path a few days later, in Budapest, in the waiting room of the Presidency of the Republic, not knowing that they had each requested a meeting with the chief of state.

In fact, this type of imbroglio no longer surprises many people in Hungary and it illustrates the confusion prevailing in the Hungarian audiovisual industry. Nearly two years after the change of regime, in the spring of 1990, the Hungarian television and radio networks are still sailing over troubled waters and they are regularly finding themselves at the center of intense political quarrels.

Unlike the newspapers of the written press, practically all of which have been privatized, the five national channels (two for television, three for radio) remain endlessly in "transition." With the collapse of the socialist system, they no longer consider themselves "state" media, but, as yet, they cannot demand to be labeled a "public service," for they operate without precise specification. It does not prevent them from being frequently exposed to public scorn for nonrespect of so-called "rules" that each person invents for his own convenience. The fate of PAM (Hungarian Audiovisual Scene) was supposed to be one of the priority dossiers of the first government of postcommunist Hungary, inaugurated in May 1990. Since then, countless commissions have submitted reports on reforms and counterreforms, all of them, some more than others, usually elaborately involved. Two bills finally saw the light of day, and the latest should be submitted to parliament in the near future. But, contrary to all expectations, this text will not tackle the central issue, namely the release of frequencies, which will be the subject of another law submitted to the deputies between now and this summer.

The Hungarian radio and television networks are utterly confused by this obsessing uncertainty mixed with a climate

of higher political bidding. As it stands, only one thing appears to be sure: Changes will soon quicken and competition from the private sector promises to be severe.

The PAM's future has been frozen since 3 July 1989. On that date, the then socialist government, in agreement with the opposition and radio and television representatives, imposed a moratorium on frequencies. The goal was to avoid risky privatizations and a political seizure of the airwaves, at a time when the country was engaged in extensive negotiations to prepare the coming of democracy. Initially, this moratorium was scheduled to last only to the end of 1989.

After the first free elections, marked by a fairly bitter campaign, both the new coalition government and the largest segment of the opposition wanted to bury the hatchet. A desire for consensus and compromise surrounded the July 1990 nomination of two famous sociologists as head of the audiovisual media, Elmer Hankiss for television and Csaba Gombar for radio.

But the state of grace was short lived. Without a specific legislative guardrail, it was very difficult for the two presidents to shelter television and radio stations from ever endless pressures. In January, the leadership of the Democratic Christian Party, one of the three factions of the ruling coalition, demanded both men's resignation. An inadequate number of religious shows was given as the motive. As for the opposition, it accused television of being at the service of the government.

Ferenc Kulin, the "Mr. Media" of the Democratic Forum, the prime minister's party, acknowledges without complexes that "televised news is progovernmental, whereas radio news is rather favorable to the opposition...." Gabor Banyai, the interim television president (MTV), is aware of this strong politization, with good reasons: "I was fired from television 10 years ago," he declares, smiling, "and today, I must work with those who drove me away." He acknowledges that the way news is handled is far from being objective. He adds: "The new generation of journalists will not come about overnight. In 40 years, we learned very well how to hide our personal opinions in our reportages. These practices are not forgotten overnight."

To avoid repeated conflicts and take the sting out of the crisis, everyone agrees that it is urgent to lay the foundation of a new audiovisual order guaranteed by law. A broad policy is outlined in the new recast version of the project, soon to be submitted to parliament. But, there are many alternatives to each sensitive issue. However, this project calls for the creation of a private national radio station and a private national television channel, accompanied by several local ones. On the other hand, the limitations on foreign participation have not yet been defined. Ferenc Kulin insists that "it will probably be smaller than 50 percent."

"Public Television, a Deceit!"

Over 150 requests for frequencies were filed with the Ministry of Telecommunications. There are a good many candidacies for the two national channels. Many groups, including Hersant, Bouygues, Bertelsman and London

Weekend Television, are said to have expressed their interest. Silvio Berlusconi, an Italian, had already submitted a commercial television proposal to the former socialist government and his company, Fininvest, had opened an office in Budapest more than a year ago. For the time being, the moratorium is holding firmly with one exception: a small alternative radio station, Radio Tilos (not allowed), which has been broadcasting three times a week in Budapest since August (LE MONDE 1 October 1991).

The usually very reserved Csaba Gombar, the president of the radio network, cannot help but smile when he mentions the plans being considered for a future regulation authority. This bill has so many committees and subcommittees, all entrusted primarily with spying on one another, that even the audiovisual professionals have difficulties making something out of it. It can be said to simplify that each national channel, whether public or private, will be headed by a supervisory commission which will be required to watch over the content of programs and the implementation of specifications. These commissions will be made up of one representative from the six parliamentary parties and of some fifteen social organizations. However, they will only play a consultative role, and the prime minister will have the right of veto over all their decisions.

In another development, provision is being made to create an organization entrusted with allocating frequencies; the government will be the only one allowed to appoint or dismiss its president. The same rule would be applicable to the presidents of the television and radio networks. But the opposition is demanding that the holders of these key positions be appointed by a two-third majority of deputies, a necessary requirement, according to them, to ensure the independence of these media.

Independently of these two political-legal creations, financing remains the main problem. Csaba Gombar emphasizes that "to speak about public television in Hungary is a deceit. The main portion of our resources comes from license fees and advertisement." Direct state subventions provide 1.5 billion of the 8.5 billion forint budget allocated to MTV in 1992 (1 franc is worth about 12 forints). But, while waiting for the end of a parliamentary investigation requested by the government parties on the "objectivity" of television, only one third of this amount has been released.

Meanwhile, the television and radio stations are hoarding a maximum of advertising revenues, knowing that they will lose many advertisers with the coming of private stations. The result on the small screen sometimes borders on indigestion. But, in the absence of specifications, there are no quotas for either advertising or programs. In order to keep the funds of the public service media afloat, the creation of two foundations, their ways and means are still being debated, is being considered under the bill.

Even before the coming of the private sector, Hungarian television had already tasted the anguish of deregulation. Upon assuming his duties, Elmer Hankiss, the new president, had made the two networks competitive. The employees were gathered into some 40 production teams

which had to compete among themselves to sell their programs to the leadership of the two channels. The objective was dual: To stimulate initiatives and, in time, to retain only the best teams. In the space of two years, the MTV work force has already been reduced from 4,000 people to 2,000.

The predictable impact of this policy was not long in coming. Complementarity between the two channels has almost disappeared. They are engaged in a true race for the audience, and they do not hesitate to change their programming at the last minute in order to torpedo the programs of the rival channel. The MTV audience increased by 10 percent in one year. Hungarians watch television an average of three hours per day. But this phenomenon is principally due to the increase of the price of leisure activities. In periods of recession, television still remains the least expensive recreation.

Half of the Country Watches "Dallas"

Even though the two public channels are waging a desperate battle, their programs remain nonetheless appreciably similar. Political programs hold a substantial lead with 24 percent of the broadcasting time. TV1 is however more popular than TV2, due in particular to the impact of "Dallas"—the only American series broadcasted on Hungarian television—watched by half of the population of the country!

Except for a dramatic turn of events, the two audiovisual and frequencies laws should be passed between now and this summer. But while the situation is becoming stabilized, the next parliamentary elections of 1994 will be approaching. In that context, the first steps of the new PAM will undoubtedly be sorely tried.

Review of Privatization, Enterprise Restructuring
92EP0318A Warsaw GAZETA BANKOWA in Polish
No 12, 22-28 Mar 92 p 9

[Article by Stanislaw Brzeg-Wielunski: "Restructuring in 1991"]

[Text] Privatization in 1991 was extended to 1,194 enterprises, or 14.5 percent of all state companies. Of these, 950 had their mode of ownership changed by first being placed in receivership, while 244 became joint-stock companies and corporations.

Owing to their political clout, the energy-intensive giant plants still survive, so that 72.3 percent of the enterprises privatized so far are small and medium companies, most often privatized by being placed in receivership. Barely eight enterprises were privatized by the capitalization approach, while as many as 561 were privatized by being placed in receivership (190 under Article 37 of the Privatization Law and 371 under Article 19 of the Law on State Enterprises).

Most of the companies privatized under Article 37 of the Law of 13 July 1990 were construction, commercial, industrial, agricultural, and transportation firms. By contrast, most of the companies privatized under Article 19 of the Law on State Enterprises were industrial or agricultural.

Medium-size companies (employing 200 to 500 persons) were privatized chiefly by placing them in receivership, so that only 52 others became privatized through their capitalization and formation into joint-stock companies and corporations. In contrast, large enterprises (employing more than 500 persons) were most often privatized through their capitalization. Thus, 184 large companies became joint-stock companies and corporations while 146 others were subjected to receivership proceedings.

The most desirable form of privatization, that of capitalization, was adopted by 184 large, 52 medium, and eight small companies, which together accounted for 3 percent of ownership transformations in Poland.

Regional Ownership Transformations

The largest number of ownership transformations took place in the Warsaw (82) and Katowice (86) voivodships. In the industrialized voivodships the trend toward ownership transformations through capitalization and receivership is growing, but in the typical agricultural voivodships it is declining. Thus, for example, in Ciechanow Voivodship only 13 companies were privatized, and all were put in receivership first, which may be surprising in view of the high unemployment rate (16.73 percent) in that voivodship.

Unfortunately, as noted above, in many agricultural voivodships the number of privatized—chiefly through leasing—companies has been low. This is happening in a situation in which an overwhelming proportion of unprofitable state-owned companies cannot cope with their role as the sole employer in a given region or another, unless their mode of ownership is changed.

The fact that the number of privatized companies is at its lowest in the regions affected by the highest unemployment rate may be attributed to the shortage of available capital and the fears of the workforces, which interpret present and future ownership transformations as threats to their jobs.

The above figures also point to the ineffectiveness of the Ministry of Ownership Transformation as an institution coordinating privatization on the national scale.

It is worth noting that the most needed capital transformations reached their financial peak so far in industry (6.7 percent of all companies), of which chiefly in the electrical equipment (21 companies), food, light, chemical, and extractive industries.

Unless telecommunications in Poland are streamlined, there will be no chance for reforming the economy and encouraging foreign investors. Unfortunately, last year not a single enterprise under the Ministry of Communications was privatized.

Contrary to skeptical opinions, the pace of ownership transformations has not been slowing, considering that between June and December 1991 the number of privatized enterprises rose to 1,200 from more than 400.

On the other hand, the growth rate of the new companies and plants established by individuals has been perceptibly declining. The number of private companies is rising, while the number of socialized companies is steadily declining (e.g., in the fourth quarter of 1991 it shrank by 103 companies).

Most commercial-law companies were established at year end in the Warsaw (740 companies) and Katowice (406) voivodships. Statistics point to an increase in the number of joint ventures (33 percent more toward the end of 1991 compared with the third quarter of that year). Unfortunately, much indicates that some were fictitious and founded with the object of gaining tax credit. Most of them were established in the Warsaw (297) and Poznan (122) voivodships, while in Sieradz Voivodship, for example, only one joint venture was founded.

There is a rising trend in the number of privately operated establishments in the Lublin (18 percent more), Piotrkow (9.3 percent more), Kielce, Tarnobrzeg, and Gdansk voivodships.

The largest number of privately operated companies to be put in receivership was in the Gorzow (565) and Elblag (74) voivodships.

A positive development is the growing number of individually owned establishments in the eastern voivodships, especially the Zamosc (7.2-percent growth) and Przemysl (5.4-percent growth) voivodships.

Private Companies Also Can Become Bankrupt

The cooperative movement in this country is decaying (barely 12,238 cooperatives have remained), but it is surviving best in the Warsaw (611 cooperatives), Katowice (566), Poznan (516), and Gdansk and Opole voivodships. The number of foreign small-industry enterprises is

declining; it now totals 781, of which as much as 25 percent is located in Warsaw as well as in the Poznan (65), Lodz (65), and Katowice (42) voivodships.

Paradoxical as it may seem, receivership proceedings were most frequent among private enterprises (72 percent more frequent at the end of 1991 than during the third quarter of that year) and more numerous than in the case of cooperatives. Altogether, in 1991, 62 state enterprises, 99 cooperatives, 387 private companies, and one gmina [township]-administered enterprise were put in receivership.

Small-Scale Privatization

Last year only 296 stores were sold to private individuals, but as many as 10,650 were leased. It was otherwise in the case of building lots and housing, which were mostly sold rather than leased.

The end of the year 1991 was characterized by a marked rise in the sales of building lots and housing. Most housing was sold in the Gdansk voivodship and in recession-affected Lodz. Sales of store facilities were most popular in the Gorzow and Katowice voivodships.

The fact that not a single industrial facility was leased in 21 voivodships is perplexing, it being common knowledge that state enterprises are bloated with excess space and machinery.

The most enterprising voivodships in promoting small businesses are: Lodz, Poznan, Warsaw, Bielsk, Szczecin, and Wroclaw. The numerous privately owned establishments in these voivodships employ 800,000 persons, or a large proportion of the total of 2.5 million persons in this country as a whole who are employed by private enterprise.

Summing up, the growing economic importance of private companies and privately operated establishments (92 percent of all commercial-law companies) should be pointed out. The growth in the number of joint ventures (by 33 percent) is particularly noteworthy. For the first time, the number of bankrupt companies has markedly increased (by 44 percent in the fourth quarter of 1991).

A tangible snag to accelerating the process of privatization is the explicit lack of interest among outside investors in subscribing capital to employee-owned companies. This concerns in particular agricultural and food processing plants. Gminas are not interested in relieving enterprises of the burden of social spending on employees in the form of preschools, vacation resorts, etc. The excessive number of representatives assigned by the State Treasury to the managing boards of companies complicates a clear-cut review of the newly formed (especially employee-owned) companies. To salvage the unwanted property of state enterprises, the voivodes are demanding that laws be passed to define more explicitly the powers of receivership boards in deciding whether the surplus property of privatized enterprises should be leased or distributed gratis.

Chances for Greater Gas Exploitation Examined

92EP0322A Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish No 12, 22-29 Mar 92 p 3

[Article by Stanislaw Frankowski: "Polish Gas Deserves Exploitation"]

[Text] The problems with gas deliveries early this year and the increase in gas prices have drawn attention to this energy carrier, so pure and convenient to use but so unreliable as regards its deliveries. Unlike solid and liquid fuels, which, owing to the diversified range of the means of transportation that can be used for their conveyance, entailing close links between suppliers and customers, natural gas can readily become a plus to some and a minus to others.

The economy is incapable of changing its structure overnight so as to become independent of gas shipments. And at the same time it is incapable of modifying the evolved gas supply system, a system which is probably even less flexible than the electrical power grid. Poland, whose economy cannot perform normally without a dozen or so billion m³ [cubic meters] of natural gas annually, is connected to two major sources of gas supply through a rigid network of gas pipelines. The principal source of gas supply is imports from the areas of the former USSR (meeting about 70 percent of the demand), followed by extraction from domestic deposits. The events unfolding in the east make that principal source of gas supply less and less reliable.

Thus the "burning" question of the future is becoming topical. Of course the attention of politicians and public opinion is chiefly centered on our indigenous gas resources whose increased utilization seems to be the most logical solution considering that the problems with the gas entail problems with the budget deficit. What then are the realistic possibilities for increasing domestic extraction of natural gas, and what are in general the potential resources of natural gas in Poland?

What is more, no one can definitively determine the potential resources of natural gas hidden under the surface of our land. To be sure, geologists who are skeptical about the possibility of discovering any major deposits of crude petroleum in our country are much more optimistic so far as deposits of natural gas are concerned. In that respect, basically nothing can yet be prejudged, even though it might seem that in the era of vigorous growth of satellite technologies knowledge about the earth's interior should be much more complete.

It turns out, however, that satellite photographs are no oracle in the case of our region owing to a specific, irregular alignment of geological strata herein. Geologic drilling, underway ever since prewar times, also has not yet yielded a complete picture of the underground. Sesame, although, e.g., the number of meters drilled solely with the object of finding oil and gas deposits has reached a total of nearly 10 million. The problem is that, while the underground areas of our country have been fairly well investigated down to a depth of 3,000 meters, little is known about the nature of still lower depths. For example, a gas deposit was discovered at a depth of 4,550 meters in the region of Torun, so at those depths there does exist something. At any rate, the "nose" of

geologists counts, and they believe that we have a chance of discovering more gas deposits.

Of course, the road from chance discovery to development is long, and nowadays the fact that we have considerable "promising" gas-bearing areas helps us little. What counts is what is on hand, what can be utilized now. At present there are two actual and known natural gas deposits exist: one in the Carpathian Piedmont, with high-methane gas having a mean calorific value of about 8,200 kcal/m³, and in the Sudeten Foothills, with nitrogen-contaminated gas of variable calorific value ranging from 2,500 to 8,200 kcal/m³. Given the differences in calorific values of these natural gas deposits in our country, two separate systems for the transmission and supply of gas, one for the high-methane gas and the other for the nitrogen containing gas, have to be operated.

The proven resources of natural gas in Poland total 166 billion m³, of which about 128 billion are in already developed existing deposits. Of the remaining 38 billion m³ nearly 70 percent is in small low-pressure deposits that often are distant from the existing pipeline systems. Moreover, in many cases their gas is markedly contaminated by hydrogen sulfide or nitrogen. The other 30 percent is currently being developed.

Domestic extraction of natural gas reached its peak in 1978 (7.2 billion m³ annually). That was the consequence of a long-range program for prospecting operations and investment in developing newly discovered deposits. In the 1980's, when the funds for the prospecting for and development of deposits were markedly slashed, extraction also declined. Last year it was at the level of 3.7 billion m³, of which 1.2 billion m³ of high-methane gas and 2.5 million m³ of nitrogen-contaminated gas. It is worth noting that in terms of gas with a calorific value of 8,200 kcal/m³ the above-mentioned 3.7 billion m³ was worth about 3 billion m³.

Last year gas extraction was somewhat lower than the existing possibilities warranted. For in theory it could have reached the level of 5 billion m³. These possibilities were not utilized because the demand for natural gas decreased and the quantity of the gas contracted for with foreign suppliers remained at the same level. Besides, extraction had been curtailed in the summer, that is, in a period of a seasonal decline in demand, and on that basis it is difficult to infer any conclusions, considering that gas shortages loomed already early in the winter. In this connection, it is worth noting that, owing to the complicated geologic conditions and frequently also to the already marked depletion of certain deposits, the mean rate of the depletion of domestic deposits averages 3-5 percent annually, that is, it is only half as high as the worldwide rate.

In view of the existing situation and opaque prospects, already in 1990 the government took measures to increase the domestic extraction of natural gas by guaranteeing the \$310 million loan granted to Polish Oil and Gas Mining by the World Bank and the European Investment Bank. By now, that loan has served to sign contracts for shipments of equipment and services worth \$65 million and accept bids

for additional such shipments to the tune of \$80 million. A program for the complete utilization of that loan by the year 1995 has been drafted.

Of course, the rate at which the above loan is being utilized depends not only on the effectiveness with which the programs were drafted but also and above all on the possibility of obtaining zloty funds in the amounts needed for the so-called counterpart funding of investment projects under way. Priority will be given to augmenting extraction from already existing deposits. Under the program of Polish Oil and Gas Mining for developing the gas industry in the next decade, gas extraction is scheduled to gradually rise from 4.9 billion m³ in 1995 to about 8 billion in the year 2000.

Contrary to appearances, the cost of extracting domestic gas is not going to be very much lower than the cost of imported gas. To be sure, in the past that cost was only half as low compared with imported gas, but unfortunately this ratio is widely variable depending on geologic conditions, quality of the deposits, investment outlays needed, etc. What is more, in 1991 imported gas even turned out to be cheaper, as then trade was based on rubles, but at present the extraction cost of domestic natural gas is about 70 percent of the cost of imported gas, now reckoned, as known, in dollars. In the years to come the price ratio may be somewhat worse for domestic gas than it is at present.

Of course, the extraction cost of domestic gas is not the sole road to "normalcy" in that particular domain. Domestic deposits cannot meet the entire domestic demand for natural gas, and on the other hand relying on foreign gas suppliers alone would be putting all the eggs in one basket. A way out would be to become linked to the European gas supply system, or establishing the related ties with Norway, or lastly importing gas from the Persian Gulf region.

All these approaches require huge outlays on building pipeline systems, compression stations, etc. Although no one knows even where to find the funds for such outlays, this problem cannot be treated solely as a pipedream. Its solution must be viewed as necessary and unavoidable if we wish to avert energy shocks such as those that are now traumatizing Bulgaria.

Inland Navigation Transport Down by Half

92EP0302B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 12 Mar 92 p II

[Article by Zbigniew Zwierzchowski: "The East as an Opportunity for Polish Ports and Shipping: A Window on a Fading World"]

[Text] Czechoslovakia, Hungary, and other former clients are leaving Polish ports behind. The laws of an economy becoming liberalized are unyielding, and even for our shipowner PLO [Polish Ocean Lines], ports located near the North Sea have become the base for ocean tonnage. In Finland, Sweden, and Denmark, the fact that the Baltic is a local body of water is being recognized more and more strongly. These countries have already adjusted; now it is necessary for Poland to undergo this process. But even if this does not happen, the markets of East Europe constitute

opportunities. This was reported on 11 March during a meeting of the State Territorial Management Council [PRGP].

The situation of Polish ports has been changing significantly since the end of the last decade. This is a result of the rebuilding of economic structures in our country and in what was formerly CEMA. To a significant degree, it is also the result of changes in worldwide sea transport. Transshipments in ports worldwide totaled 8.2 billion tonnes in 1990. Of these, only 4.7 percent were carried by East European countries and countries of the former Soviet Union. The role of ports has changed. They are becoming not only transshipment locations, but goods distribution centers. Nearly 70 percent of general cargoes in international trade are transported in containers.

The situation with regard to our ports is a different one. Their potential has been adapted to mass cargoes (coal, grain), while cargoes in containers have been neglected. These constitute 12 percent of general goods. During the last 10 years, turnovers in Polish ports have declined nearly twofold. As Stanislaw Szwankowski said during the meeting, this is "basically a return to normalcy." This means that the days of the transshipment of an enormous mass of raw materials and grain are gone, never to return. We have dropped to approximately 39 million tonnes from 70 million tonnes last year. Our prices have ceased being attractive to our traditional partners. The transferable ruble, and not other factors, caused the route through Polish ports to be two to three times cheaper than the route through other ports for Czechoslovakian or Hungarian transit. Today we are doing our accounting in convertible rubles and our prices are no longer attractive. A cargo of Czechoslovak goods dropped from 2.5 million tonnes to 460,000 tonnes last year; a cargo of Hungarian goods dropped from 400,000 tonnes to 20,000 tonnes. Another fact is that the unification of Germany has shifted the burden of oceanic port and shipping activity toward Hamburg and Bremen-Bremerhaven. There are many indications that in the next few years, oceanic general cargo movement will shift from Polish ports to the ports of the North Sea. Our ports will

deal only with turnovers with Scandinavian states and Great Britain, according to the "darkest" prognosis.

What have Copenhagen, Stockholm, and Helsinki done to become, in effect, regional port centers? The withdrawal of ocean lines is being compensated for by the intensive development of ferriage shipping. There are 100 regular ferry connections open all year round on the Baltic and there are seasonal connections as well. This is a field in which Polish ports must show increased activity, said the members of the PRGP. But independent Baltic states, our other eastern neighbors and the East German lands can be a great opportunity for us. True, it is difficult to anticipate the developmental scenario of these first states, but Byelarus has no access to the sea, Ukraine has ports on the Black Sea and the closest route to Europe is through the Baltic ports. Russia may also be interested in this. For technical and political reasons, Kaliningrad will not yet be able to play the role it should.

The state of inland shipping is also related to the port situation and, above all, the situation of the entire economy. As Tadeusz Mrowczynski said, this field of transport is very insignificant; it represents less than 0.8 percent of all transports in Poland. In the 1970's and 1980's, 23 million tonnes of goods (primarily mass cargoes) were carried by water, while 9.8 million tonnes are now being transported in this way. While in actuality, 1,830 km of water routes are being utilized, 3,115 km are available. The expansion of these routes, for example, Oder-Danube connections or East-West connections, do not have financial bases at present. However, it is necessary to consider the future, and the Oder, above all, is the river that should play a major role in Poland's transport system.

The purpose of the PRGP meeting was to prepare recommendations for the government. CUP [Central Planning Administration] Undersecretary of State Marcin Rybicki explained why these recommendations are necessary. He said: "While it is true that we are not developing a new program for the Vistula, we must know what we want as we look throughout Europe for partners and funds to expand our water transport."

Army Ineffective, Unable To Win in B-H

92BA0802A Ljubljana DELO in Slovene

11 Apr 92 pp 20-22

[Article by Teodor Gersak: "A Strong Man With Limited Power"—first paragraph is DELO introduction]

[Text] In spite of all the methods of political maneuvering and extortion by political terrorism, and its intensification and growth, paranoid Serbian leader Milosevic and his General Adzic are most afraid of a war in Bosnia-Herzegovina [B-H]. With a military conflict in B-H, what was once the Federal Army would collapse once and for all, and Milosevic's Greater Serbia would also vanish from the scene for all time; moreover, it would even be reduced to a Belgrade pashadom.

A possible war in B-H would have two determining characteristics that the war in Croatia does not have. The first is that a war in B-H, in fact, could not be limited to the territory of that central republic, but would instead spread to Serbia and the broader region. The second is that the nucleus of the military conflict in B-H this time would not be the dispute between Croats and Serbs, but rather between Serbs and Muslims, even though the disagreements between Croats and Serbs in B-H would be the occasion for the broader conflict. It is precisely for this reason that it would not be possible territorially and ethnically to limit it to the Muslims who live in B-H, since then the entire so-called green transversal, which runs from the Cazin Muslim area through most of B-H, the Sandzak, Kosovo, western and northern Macedonia to the Albanian hinterlands and through Bulgaria to Turkey, would rise up.

The beginning of a civil war in Serbia would have unforeseeable consequences for all of the Balkans; it would destabilize all important European regions; and the question also arises of how Bulgaria and Greece, which would be completely cut off for transportation and would be blocked by land, would act with respect to the border areas to which they still have rights according to the peace agreement from the Balkan wars, and how Turkey, as a new regional great power and an ideological ally of the Yugoslav Muslims, would act; and there is also the question of how Muslim states around the world would react. A war in B-H is too big a mouthful, not just for Serbia, but also the EC, since it also indirectly affects certain American geopolitical and geostrategic interests in Southern Europe. Undoubtedly, if someone initiated it, they would stop it by force.

Of course, this is the method of rational thought. If we look at all this from an irrational point of view, however, then we have to ask ourselves first of all the question of who would be in the front lines of a war for a Greater Serbia, when the army is characterized by a high degree of collapse and disorganization, and then the question of how a third war would even be financed, since the federal money which was used to finance the wars in Slovenia and Croatia has been virtually exhausted.

The Army Is Not Capable of Waging Yet Another War

This assertion is true, in spite of the fact that the denouement of the Yugoslav crisis is shifting to B-H. Even though

Milosevic's militant Serbs and the Yugoslav generals will try to keep B-H in their own sphere of influence at any cost, since it is an area that Greater Serbian policy does not intend to give up without international pressure. A war for B-H is not only the most irrational method of achieving political goals, but it is also not even possible any longer, because the army is simply no longer capable of it. This does not mean that there are no casualties in B-H. They will be caused by sabotage-terrorist activity, ethnic unrest, massacres, etc. Of course, in a technical sense it is not a war, although the consequences are almost as bad. The astounding demonstrations of power and the enormous concentrations of forces in B-H, with occasional artillery and missile bombardment, give a completely different picture. That is not the case, however. Even in the first two wars the former Federal Army did not achieve the Greater Serbian goals that had been established, and instead had to withdraw; thus, it cannot even survive a third war.

Most reporters who try to analyze the further outcome of the events in B-H proceed primarily from the quantitative factors of the situation in the "Yugoslav Army," and if we review them, the data are truly frightening. In addition to quantitative indicators, however, one should also analyze the actual military capabilities of the collapsing army, and, from this standpoint, its further utilization in B-H. It is only in this way that we can obtain a real picture of its effectiveness.

There cannot be good music if an orchestra is headed by a poor conductor, and even less if there is no conductor at all. The tones of the instruments can be accumulated, but until the orchestra gets organized and gets in tune—and the first condition for this is that trained musicians be hired for the instruments—there will not be any music. And that is exactly the situation now of the orchestra that we call the "Yugoslav Army," which has been brought onto the territory of B-H. It has enough weapons to equip nine corps, but there are no musicians; the ones who are there are so demoralized and terrified that it is questionable whether they are even ready to fight at all.

The consequences of the wars in Slovenia and Croatia have been catastrophic for the army as well, even though the Yugoslav generals perhaps do not want to admit this. Such confusion prevails in the army on the territory of B-H that it is not even capable of starting a third war, much less surviving it. They are also aware of this themselves, and that is why they are acting differently in B-H, and even becoming advocates of peace. They have started to think seriously about their future.

Army forces have been brought into B-H from all the places from which the army has retreated and fled. It came here with an organizational and combat structure that was appropriate for the zones where it was before, but without a restructured mobilization and logistical system, and with the question of rear support completely unsettled, since the units relied materially upon the areas where they were before. This is already a sufficient reason why the units that could be withdrawn peacefully to B-H cannot be used successfully even from the standpoint of military technology unless they are first reorganized. Several units that were

withdrawn from Slovenia and Croatia have been left without command personnel, and especially without soldiers, which means that in addition to the unresolved logistical issues, they are also unusable from the standpoint of personnel manning. Even the units brought into B-H that have been partially manned by reservists are not adequately equipped, since the men have been gathered for them from all parts of B-H. We must be aware that these units were previously manned by reservists from Slovenia and Croatia, and that in order to man them they needed about 700 military specialties, which now do not even exist in B-H, or are very rare.

The structure and organization of these units are also completely inappropriate for engaging in the kind of conflict without a front that would be characteristic of B-H if it occurred. If the ethnic balance were to be disrupted in B-H, there would be fighting throughout high-rise apartments, factories, hotels, army courtyards, etc.—in short, it would be a conflict that would require police tactics, for which these units are not even trained and organized, and consequently they would be virtually unusable. Only military police battalions and certain antisaboteur and antiterrorist units are trained for such operations, but even though an attempt has been made since the war in Croatia to assemble soldiers with this specialty, at most they are capable of putting together a military force comparable to four battalions. Training new units of this type takes at least 12 months, and is also extremely demanding, and above all, extremely expensive.

The units that have been deployed in combat zones in B-H so far, which are the Banja Luka, Tuzla, and Sarajevo corps, are each a story in themselves. The Banja Luka and Tuzla corps suffered heavy losses and humiliation in the war in Croatia; certain tactical-operational units are at most 60-percent manned, and they still include many Serbs who are no longer prepared to fight, while there are fewer and fewer at home who are still willing to respond to being called up for the reserves. In the case of the Tuzla corps there is also an additional problem, in that it is based in an area where a primarily Muslim population is living, while the Sarajevo corps's reserves consist primarily of the Muslim and Croatian population, so that they are not even hoping to mobilize most of its units, and instead would rather bring them here from Montenegro and Serbia.

All this already allows one to anticipate that it is necessary to carry out a reorganization of the army in B-H, and that is why they are also establishing a new, second Sarajevo army. Nevertheless, in order for it to reach a minimum level of organization at the corps level, it needs at least nine or 10 months; in order to equip battalions at least minimally, it needs at least three months, and in order to equip the brigades, it needs at least six months; these periods, however, are valid only under the condition that there would be a normal influx of personnel to perform military service, and that the response for going into the reserves for retraining would be normal.

Neither the first condition nor the second has been met, however. Only some of the young men from the rural areas

of Serbia are responding to enlistment for performing military service; young men from Montenegro are responding rather satisfactorily; but they are very rarely coming from B-H, while there is no one at all from anywhere else, and there are too few volunteers. That is why soldiers are being kept in military service much longer than they should have been, contrary to all the criteria and legal foundations.

With respect to the manning of military units, the biggest problem for the "Yugoslav Army" is the response from B-H, since the legal authorities have resisted the army's actions on the territory of this republic. Also, after the amendment of the law on national defense, the enlistment system in most of B-H is no longer controlled by the army, but rather by the obcina secretariats for national defense. Army enlistment notices are thus not even being sent out in the non-Serbian obcinas, and also the Presidency of Bosnia-Herzegovina has issued a proclamation that soldiers and reservists are not to respond to direct army enlistment notices. Even the population of Serbia, however, is no longer prepared to fight for Milosevic's inflated Serbia. We must not forget that during the war in Croatia, thousands of Serbian reservists fled from the battlefield, that the male population, especially in the cities, hid en masse, and that those who were able even fled abroad.

In spite of all sorts of intimidation, the army has also been abandoned en masse by soldiers who performed their regular military service. That is why the army was forced, even during the war in Croatia, to man itself with volunteers, who came mostly because they received payment for it. There really are few volunteers who are willing to fight. What the morale of the uniformed "Lumpenproletariat" is like was best demonstrated in eastern Slavonia. Many militant Serbs live there, and at first, when many Greater Serbian heads were still very hot to extend their empire through battle, even though virtually about 30 percent of the entire "Federal" army and even the most elite guard division unit were employed there, in four months they only advanced from 20 to 25 kilometers. Let us not forget that according to the technical criteria that the "Yugoslav Army" wrote in its own military regulations on the basis of its experiences from maneuvers, the anticipated tempo of an attack and advance by motorized infantry and armored units is from 30 to 50 kilometers a day. This does not require any comment. After the establishment of the military balance in Croatia, many military and Greater Serbian heads in B-H began to cool off and think more rationally about how a possible conflict in this republic would end and what would happen to the "Yugoslav Army" afterward.

Taking these facts into account, the "Yugoslav Army" in B-H, in spite of the enormous amounts of weapons that have been brought in, only has a few brigades that are actually manned for combat, but even these have not become combat-ready. That is why so far not a single corps has been able to establish a complete organizational unit, and cannot even be expected to be able to act as a unit. This whole strong army that has been assembled in B-H has extremely dubious capabilities. It is manned by extremely few soldiers, and its units primarily consist only of Bosnian Serb and Montenegrin reservists from the ranks of the Lumpenproletariat and the volunteer extremists who have to be paid for

serving in the reserves. These are units of ordinary frightened mercenaries, who have not been used to having so much money in their hands each month for a long time now, and are consequently more drunk than sober. Even in the first serious conflict in which they would have to make an attack, this drunken army would scatter, and there is no force that could assemble it again. This was already apparent at the end of the war in Croatia.

In addition to this, this army is being led by many disillusioned and demoralized officers, concerned about their own future. Not even the daily military brainwashing through internal military information is helping any longer. These people have begun to think about their actions in Croatia; they are bothered about what will happen to them tomorrow, who will finance them, what they will live on, where they will live, and what will happen to their families, many of which are living like refugees in common rooms in barracks. They are slowly realizing, like General Simovic, the former Serbian defense minister, that they have been exploited for one-time use. It is increasingly more difficult to buy their loyalty, even with extremely high monthly wages. The only question is how long this will be possible. In such a situation, it is no longer possible to establish an effective military organization. The General Staff is trying to relieve officers in the combat zones in turn, whereas they cannot relieve the reservists, because there simply are no others, and even if there are, they do not want to come. Nevertheless, in spite of the replacements of officers, a lack of will prevails in the units; they lack order, discipline, and morale. That is why the commands have less and less control of their units and subordinate officers every day, and the realization that these units are not reliable for any serious conflict is growing stronger and stronger. Perhaps the most accurate statement is still that from a functional standpoint, only the commands and the corps headquarters, which do not have direct daily contacts with the units, are still operating. The units are disintegrating in terms of morale; they are short of food, fuel, several types of ammunition, and even some very important spare parts.

Such a disorganized one-nationality army with poor morale needs several months of respite. As it is now, from the standpoints of organization, functionality, and morale, it is not yet capable of handling a single military conflict, even if it is one of low intensity.

Its combat readiness varies considerably, and is therefore extremely questionable as well—from the tactical to the operational level. The larger tactical units are essentially completely disorganized, without appropriate technical personnel, and thus we cannot even speak of any sort of coordination among the branches of service in carrying out military operations.

Even the method of conducting offensive and defensive military operations with which the officers' heads have been filled for years would be completely unusable and ineffective in B-H. In terms of doctrine, the units are built on mistaken foundations, and are organizationally and structurally unadapted to the types of conflict characteristic of B-H. Even operationally, such units cannot accomplish anything, if we exclude the occupation of a specific area.

They are not capable of it from the standpoint of morale, while any serious military operation in B-H would mean spreading the civil war as well to Serbia, which would simply "swallow up" the "Yugoslav Army," and it would thus disappear forever.

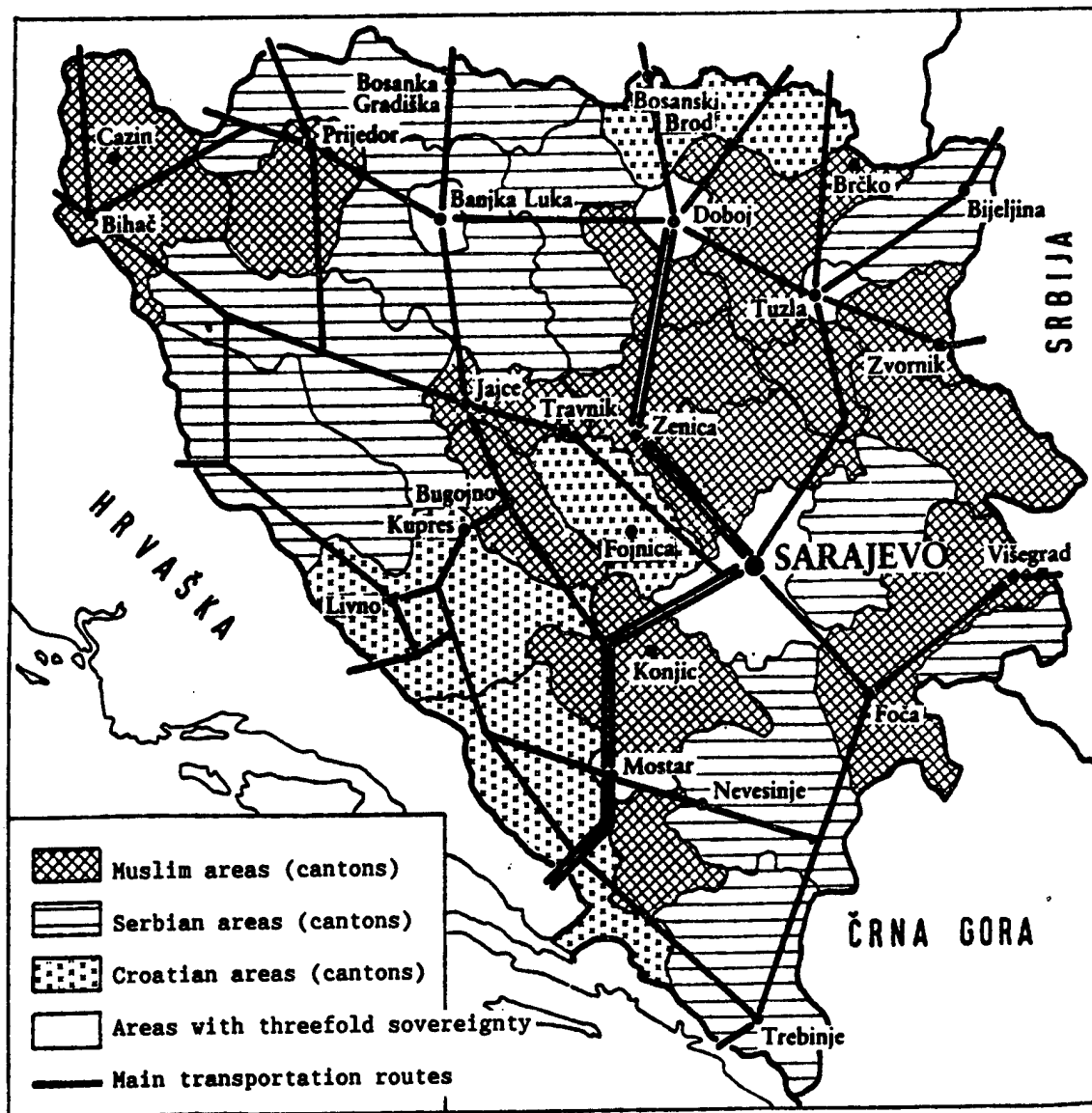
It is precisely for this reason that Milosevic and Adzic are trying to get the blue helmets to come as soon as possible, in order to gain time for a respite and for the reorganization of the army and of military doctrine.

This is also the reason why the JA [Yugoslav Army] has been trying for so long to put on the mask of a protector of the interests of all peoples. It has started itself to criticize several generals, especially Mamula. It is accusing them of being to blame for the muddled war, and for the JA's muddled policy, and it is announcing that the responsibility will be determined. There are more and more statements about the transformation of the JA, and it is constantly emphasizing in public that any political option is acceptable to it, if it is reached by peaceful means. All of this sudden peacemaking activity on its part is a consequence of its position and the fact that the level of its readiness above the battalion level is very questionable. It also has a political dimension—specifically, it would like to improve its image in the eyes of the international public.

What They Would Wage a New War With in B-H

What the strategists of the Greater Serbian policy have realized concerning the capabilities of the Yugoslav Army is probably similar, and that is why they have decided that by means of a show of force and violence, causing unrest, political extortion through barricades, and intimidation along the lines of "now there will be war," they will use nonmilitary means, actually under the guise of the fear of a military conflict, to draw B-H into the sphere of influence of Greater Serbia. For a long time now they have been very deliberately destroying B-H, not by war, but rather economically, with respect to transportation, financially, and socially. They will finally try to destroy B-H by starvation and thus tie it to Greater Serbia. They think that B-H, completely impoverished, will join Yugoslavia again. That is why they first blocked the Ploce harbor from the sea, as a result of which entire economic sectors found themselves on the brink of survival, and approximately 70,000 people were left without jobs. Later, by means of the zones of military operations, they cut them off completely from transportation links with Croatia, and finally also blockaded them with the transportation blockade of Mostar and Sarajevo, and with the destruction of several bridges. B-H has thus become a ghetto, which is furthermore being accused by Serbia of reexporting; it has banned imports of vital necessities, including even food (Bosnia-Herzegovina itself only produced 18 percent of its own requirements).

Furthermore, most defense production has been withdrawn from the republic, and thus another (approximately) 42,000 people have been left without work. In order for the economic and social heart attack to be complete after this, all the rest of the inflationary Yugoslav money was also sent to B-H, while at the same time they changed the color of the new "Serbo-Topcider" dinars for the territory of their own



Serbia. Of course, the entire strong Yugoslav Army and its paid reserves are full of worthless Yugoslav dinars, and so the army is also buying what little there is in B-H. A worker's pay is about 12,000 dinars, or about 50 marks, but a colonel's pay, with the military bonus, is already about 350,000 "Yugoslav dinars." The population of B-H can withstand such pressure only for at most another two months, and then they will have to call for help from the world and beg for food if they do not want to die of starvation. Milosevic has literally robbed this republic with his financial transactions. It is not superfluous to recall that Serbia, which loaded the worthless Topcider money into railcars, used them even earlier to buy up all the more important enterprises in B-H.

Since Milosevic no longer has the former convertible federal money, with which a war in B-H could still be financed, he

has decided on a strategy of robbery and exhaustion. Because a war in B-H is too dangerous, he is doing it through financial transactions and the unrestricted printing of inflationary money. He is destroying B-H's transportation, and he is destroying it economically, financially, and socially, and because the Serbs cannot do without force, they are reinforcing everything by constant terrorist provocations, and by causing incidents, disorder, and unrest through the barricades that have been set up.

Even though the Yugoslav Army and the "warriors" of Greater Serbia have succeeded in terrifying the population of B-H, the equilibrium in the coexistence of the three peoples has not been disrupted, and they are not fighting among themselves, but are rather seeking a peaceful solution. Extremists exist, and many of them are in the Serbian ranks in particular, but so far they have not succeeded and

will not succeed, through their methods of barricade revolution, terrorism, and ethnic unrest, in throwing B-H into a civil war, even though they are already blowing up cafes and post offices, mining automobiles and houses, killing cab-drivers and mailmen, shooting at passersby, setting up barricades and carrying out provocations with firearms, and redeploying Arkan's forces, the White Eagles, etc., to B-H. No one really will start a war in B-H, and that is why they will develop terrorism there to a high degree, intensify its brutality, cause disorder, sabotage, commando raids, etc., and involve the army in protecting the borders of Serbian cantons and extending the Serbian area through ethnoregionalization. They will go up to the very brink of war.

We must be aware that after the failure to extend Greater Serbia to the Memorandum borders, Milosevic will do everything in his power to keep at least Montenegro and most of B-H in its sphere of influence. He would thus establish a bridge to Krajina, which will certainly obtain the status of a Serbian autonomous province in Croatia. This is necessary for Milosevic, since that is the only way that he can survive politically. Of course, he will be assisted by the paranoid army, which in fear of its own natural collapse and the recognition of B-H is still fighting just for survival and a solution for its social status.

That is why the purpose of the present ethnic unrest in B-H is to win the JA the role of a peacemaking factor and the protector of the Muslims. Since the Greater Serbian political goals cannot be achieved through aggression, they are to be achieved through ethnoregionalization. That is why it is very important to portray Croatia as an aggressor against B-H and to cause general hysteria throughout all of B-H, especially in Sarajevo, where an attempt was made to establish Yugoslav fundamentalism on the political scene and to set up a committee of national salvation. It was supposed to use the army to achieve the political goals of the Greater Serbian policy in the role of a peacemaker and protector of the Muslims, in order to prevent the massacres of which Arkan's forces are guilty (it was the Yugoslav generals who armed them just a few months ago).

Ethnoregionalization Does Not Bring Lasting Peace

Bosnia-Herzegovina is the last hostage of Yugoslavia, and at the same time it is also proof that it is simply impossible for the interests of Belgrade and Zagreb to be fulfilled within the same state. To be sure, B-H has apparently managed to achieve recognition by Europe and the United States, but in the background Belgrade policy is still thinking about how to take advantage of B-H's sovereignty and the demand for immutability of the borders. In such a situation, internal negotiation is virtually worthless. In spite of the international recognition, a solution will only be possible for B-H when an intergovernmental agreement has been reached between Serbia and Croatia. Of course, the basic issue in this regard is whether it is even possible to reach such an agreement by peaceful means, without terrorist massacres, major interethnic disorder, and incidents, even if everyone is already afraid of embarking upon an interethnic war. We can only call what individual Bosnian quasi-national leaders

are now doing, as an extension of Belgrade policy, preparations for a later partition of B-H through ethnoregionalization.

This further course of ethnoregionalization on the political scene has not yet been prepared in detail and is concealed by the cantonization of B-H. The Serbs, as a people representing one-third of B-H, would like to spread out to 65 percent of the republic's territory under the army's protection, and in many areas conflicts are already occurring because of this. Both of the main transportation routes, from Slavonski Brod to Capljina and from Zvornik to Banja Luka, and so on, have already been brought under control through military occupation. Even now—again by force and intimidation with the Yugoslav Army's weapons—they are trying to reduce as much as possible the powers of the central authorities in B-H, and transfer them to the ethnic units, structured as national cantons, and also to impose the present military system for the next eight years, even though the JA became a foreign military force on B-H's territory when the latter was recognized. In order to keep the Yugoslav Army in B-H, they have now developed the thesis that more than 90 percent of its members are from this area, which, according to the data that they published themselves a year ago, is not even true, since Bosnian Muslims and Croats have been deliberately ignored in this army for many years.

When the Serbs want to implement their empire of "united Serbian states" and link themselves physically with Krajina through a new Banja Luka Serbian state, many people are not aware that this solution would only result in about 40 percent of the population's virtually becoming an ethnic minority in their own state, and that from 600,000 to 800,000 inhabitants of non-Serbian nationality would have to leave their homes or simply be driven out, because they are not Serbs. It would be most tragic precisely in the northeastern part of B-H, where a Serbian transversal is supposed to be established among Serbia, the Bosnian Krajina, and the Knin Krajina, and along the Serbian border for the sake of ties through Romania with eastern Herzegovina and onward to the sea. Of course, such a resettlement would not take place without force, without the use of the army and terrorism. That is why the army quickly joined in the political games and occupied territory up to where the Serbian ethnic region is supposed to extend, and through the self-appointed committee of national salvation, it assumed the role of ruler and arbiter, in the role of a protector. Furthermore, in order to cut off certain transportation routes, it has in effect occupied several cities. And once again everything is being repeated: People are already fleeing with some sort of certificates that they left voluntarily of their own will, but behind them villages are burning in the flames kindled by the "People's Army" through the Serbian paramilitary units.

Of course, there is little likelihood that this insane project will succeed. It is more likely that all of this will only lead to weariness to the point of exhaustion, and then will come either a sobering or a final settling of accounts, with unforeseeable consequences. The B-H political space is being reduced for the Serbs with every day that passes, since

Serbia is not capable of ensuring modern development and a better future for any of the peoples in B-H. Everything that it does is more or less illusions of the extremists; and what it achieves is extorted, false, and coerced. It is precisely because of this that the political possibility has already been lost that B-H would remain in some sort of alliance with Yugoslavia, and in exchange Serbia would recognize the sovereignty of a B-H in which Serbs would be guaranteed some sort of autonomy, in which Belgrade's laws would be valid. Since this is not acceptable to the other two peoples, everything is stuck in a sort of stalemate situation, even though the referendum was successful and B-H has already been internationally recognized. That is why the question of B-H cannot even be settled without international mediation, and without coercion and an international demand that the Yugoslav Army be finally disbanded. There is no other way to motivate the Serbs to recognize B-H, Croatia, and Macedonia. One should not have any illusions that this can be achieved just by halting international loans and cutting off certain trade flows. The only effective method is monetary intervention against Belgrade, and putting the Serbian national bank, which is printing Yugoslav dinars day and night, under international control. That is the only way in which it is possible to prevent and interrupt the robbery of everyone else through the monetary system, and the aggression with the Topcider inflationary dinars, through which the Yugoslav Army is being artificially supported.

It should be clearly conveyed to them that inheritance of the name of Yugoslavia only represents a political declaration, which the international monetary institutions will never accept. B-H has to introduce its own currency as soon as possible, and ensure the necessary foreign exchange reserves and backing for it with international assistance. That is the only way in which a reversal in the Greater Serbian policy can be achieved. If this measure were adopted, Milosevic's political space would be drastically narrowed. If Karadzic's militant Serbs continued to shoot at their neighbors, he would not have any other choice but publicly condemning adventurism; if a broader hysteria developed from this, the only thing left for Milosevic to do would be recognizing B-H before witnesses as an independent and sovereign state, even though something like this does not even occur to him now. International monetary control over the Yugoslav dinars would also halt Muslim and Croatian radicalism, and at the same time a solution would be found for drawing B-H out of the customs and transportation isolation by its neighbor, which is so lethal to it. Even the Yugoslav Army cannot survive international monetary control of Serbia. Only then would it be possible even to speak of establishing an internal tripartite authority, alleviating ethnic passions, and more stable prospects or peace, which is now ensured solely by the mutual balance of fear. I am afraid that without the introduction of these measures, the Greater Serbian policy has too many possibilities for undermining the new sovereign state of B-H.

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